

**Minutes of the Joint Project Board Meeting of
"Support to Innovation Policy and Technology Transfer" project and
"Capacity building for economic forecasting and planning
at national and local levels" project**

Date: December 22, 2010
Venue: Conference room, UNDP Country Office
Time: 15.00 – 17.00

I. Basic information on projects:

Project number and title	Implementing partner	Project duration	Total budget
ID 00073949 – Support to innovation policy and technology transfer	Institute of Forecasting and Macroeconomic Research (IFMR)	February 1, 2010 – December 31, 2012	USD 638,566
ID 00070560 – Capacity building for economic forecasting and planning at national and local levels	Institute of Forecasting and Macroeconomic Research (IFMR)	April 15, 2009 - December 31, 2011	USD 532,100

II. Participants of the meeting:

Institute of Forecasting and Macroeconomic Research

Ms. Galina Saidova, First Deputy Minister of Economy, Director of the IFMR, National Project Coordinator

Mr. Avaz Sadikov, Deputy Director

Mr. Sergey Chepel, Project Manager of the Institute

Mr. Obid Khakimov, Deputy Project Manager of the Institute

UNDP

Ms. Nato Alhazishvili, UNDP Deputy Resident Representative

Mr. Sherzod Akbarov, Head of UNDP Economic Governance Unit

Mr. Zarif Jumaev, UNDP Economic Governance Unit Program Coordinator

Project Staff

Innovations:

Mr. Khamidulla Narmuratov, Project Manager of the "Support to Innovation Policy and Technology Transfer" project

Ms. Rushaniya Batraeva, Administrative and Finance Assistant

Mr. Usmon Rakhimjanov, Task Manager

Institute of Forecasting:

Mr. Kakhramon Yusupov, Project Manager of the "Capacity building for economic forecasting and planning at national and local levels" project

Ms. Olga Tarabrina, Administrative and Finance Assistant

Mr. Ulugbek Kamaletdinov, Expert consultant

III. Meeting agenda:

1. Welcome, Opening remarks
2. Presentation of the progress report of the "Support to Innovation Policy and Technology Transfer" project in 2010 by Mr. Narmuratov
3. Discussions, questions and comments
4. Presentation of the progress report of the "Capacity building for economic forecasting and planning at national and local levels" project in 2010 by Mr. Yusupov
5. Discussions, questions and comments
6. Conclusions and decisions on follow-up actions

IV. Presentations and Discussions:

The meeting was opened by Nato Alhazishvili (UNDP Uzbekistan Deputy Resident Representative) and Galina Saidova (First Deputy Minister of Economy, Director of the Institute of Forecasting and Macroeconomic Research). As the National Project Coordinator for the two projects, Galina Saidova thanked UNDP for continuous and swift support to both projects.

Khamidulla Narmuratov (Project Manager, Innovations project) presented brief overview of the project's performance for the 2010 by components highlighting the major achievements and issues.

a) Specifically, the following major achievements were highlighted:

Under component ONE (Support to innovation policy formulation, implementation, and indicators M&E):

- the working group was formed and the team leader selected, the plan of work, framework for the analysis and compilation of indicators agreed;
- a study tour to Astana was organized for group members to participate in the international conference on innovations;
- background data collected, analysis carried out and the first draft of NIS assessment report with a set of 30 innovation development indicators prepared and submitted for peer-review,
- The revised and finalized version of the report is expected to be submitted by the end of December 2010. At the same time it was stressed that the quality of the work under this component as unsatisfactory due to lack of constructive assessment and critics;

Under component TWO (capacity building of the Agency for technology transfer and regional technology transfer centers):

- The training needs assessment of the Agency for technology transfer and the regional technology transfer offices was conducted;
- With the help of trained trainers two four-day and one three-day training courses were elaborated and conducted;
- In total of 24 participants from industrial associations, regional technology transfer offices, research and higher education institutions and ATT were trained and tested. The training courses covered 15 technical modules and 12 training manuals are being elaborated;
- The Concept for creation of national electronic database of innovation projects within ATT were elaborated and widely discussed.
- The new website homepage for ATT, interface and software for database developed and made available in English and Russian (Uzbek version underway);
- IT and server equipment to host and administering the database were procured. Forms and manuals on filling the application for placing innovation offers and requests elaborated;
- Color printing equipment (Konica-Minolta BizHub C452) with binding and stapling supplements, and separate cutting equipment was procured through conducting open contest for publishing color bulletins, manuals and leaflets.

Under component THREE (support to improving the degree of commercialization of innovations):

- The third Republican Innovation Fair was conducted, catalog of innovation projects and other promotional materials were published. Total of 13 innovation projects in the area of energy efficiency and environment were selected for financing by the GEF Small grants program;
- Concept for creation and establishment of 'Innovation support fund' prepared and widely discussed at a workshop in ATT with representatives of interested parties;
- Consultancy mission of two international experts from Russia and Germany organized to share relevant country experiences and review and finalize the Concept and elaborate relevant technical documents. Draft founding documents and internal regulations for creation and organization of activity of the fund are elaborated.
- Based on the international experience draft National standards and guidelines for valuation of intellectual property elaborated and sent to interested parties and will be submitted for registration at the Ministry of Justice after agreeing with relevant ministries and agencies. Test valuations of intellectual property underway to test valuation methods proposed in the national standards.

The project team also raised the following issues, which the project faced during the reporting period:

- The project activities under the second component showed that elaboration of legislative and regulatory documents on transfer and commercialization of innovations is required as additional activity and engagement of group of lawyers and interested parties such as National Parliament, Committee for coordinating the development of science and technologies is needed;
- The lack of knowledge among the top leadership of regional agencies, local authorities (Khokimiyats) and businesses making the development of innovation activity and realization of innovation projects in the regions difficult. The project suggests conducting short-term training on innovation and technology transfer on a schedule basis in all regions for top management of government agencies and businesses including deputy Khokims of the regions and districts;
- The project activities under the second component will not have maximum effectiveness as far ATT Director is not appointed. If this situation continues it can jeopardize the project efforts in building capacity of Agency for Technology Transfer

After the presentation, the participants of the meeting proceeded with discussing the project results so far.

- Firstly, NPC drew the attention of participants to the first component of the project and pointed to the lack of proper coordination under the first project component and requested that the assessment of the national innovation system of Uzbekistan be completed by the end of January 2011.
- Then, commending the work of the project on preparing training materials on topics of innovations and technology transfer under the second component, the Board suggested that the materials gathered should be used to prepare a textbook and a training module for universities. This would ensure greater sustainability of the project initiatives. It was suggested that the textbook should be coordinated with the Ministry of Higher Education and the Science and Technology Committee.
- With regards to the innovation projects selected for financing from SGP GEF, the Board called for even closer cooperation with Alexey Volkov (National Coordinator of SGP GEF) to increase the number of successfully financed projects. It was mentioned by the project manager, that the main issue with getting financing from SGP GEF was in the complexity of procedures to fill in the application forms of financing as well the requirement to provide co-financing (at least 50%) from an NGO or private sector. NPC requested that the project include an additional target into the project plans for the next year, indicating the number of successfully financed innovation projects with SGP GEF. As an indicative target, at least half of the selected innovation projects should get financing from SGP GEF.
- On the issue of developing the necessary regulatory and legislative basis for innovation activity, Galina Saidova suggested not to get distracted with too many regulatory documents but rather concentrate on drafting the law on innovation activity, which was also included into the Government's agenda. She requested that the concept of the law should be prepared under the project's second component.
- On the issue of providing trainings for decision-makers in the regional governments on the topics of innovation and technology transfer, Nato Alhazishvili recommended synergizing and combining the project efforts with UNDP's projects on Local Governance and Low Emissions, as well as ELS and ABD who are better presented in the regions.
- Finally, the Board questioned the feasibility of conducting 3-month trainings for at least 15 technology transfer specialists, and suggested that the project should rather provide more flexible distant learning opportunities.

Then, the meeting continued with the discussion of the results of the project on Economic Forecasting. Kakhramon Yusupov (Project Manager) presented brief overview of the project's performance for the 2010 by components highlighting the major achievements and issues. Specifically, the following major achievements were mentioned:

Under component ONE (Economic Forecasting Methodology):

- Two analytical reports, "Economic growth and innovation: theory, models and practice" and "The effects of external shocks on foreign trade of Uzbekistan: econometric analysis", have been prepared and published.
- Memorandum of understanding has been signed with the Dutch research centre TNO under which twinning activity is to be implemented
- The project rendered technical assistance in conducting two consumer demand surveys across households of Uzbekistan
- The project assisted in conducting training on RATS statistical software package
- The project funded the CGE (computable general equilibrium) training sequence;

Under component TWO (Regional Development Planning):

- Two analytical reports, "Approach to regional differentiation in Uzbekistan" and "Methodology of social and economic development strategy design", have been prepared.
- Regional UNDP advisor V. Mikhalev has been invited to assist on preparation of the methodology of regional development design
- Junior research staff of the Institute (IFMR) and government institutions contributed efforts into preparation of analytical reports
- Memorandum of understanding has been signed with the Russian Leontief research centre under which twinning activity is to be implemented;

Under component THREE (Institutional strengthening):

- 4 round tables on the implications of macroeconomic forecasting have been held among academic and professional circles
- 3 master classes have been held among students of higher educational institutions, including UWED (University of World Economy and Diplomacy) and ASSC (Academy of State and Social Construction)
- IFMR's website has been substantially revised, intranet has been launched, where file sharing and project collaboration software has been installed
- Internal statistical database management system has been designed and installed, which has been tailored to the needs of IFMR and its staff
- The first Forum of Economists of Uzbekistan has been held in the premises of IFMR

The project pointed out the following issues:

- Absence of PM for the last three months resulted in delay and transfer some of the targets that have not been achieved in 2010 to 2011, e.g. an analytical report in component 1 on the sensitivity of macroeconomic indicators, travel and training under twinning activities.
- Lack of potential consultants for analytical reports on macroeconomic forecasting, which requires special technical skills, sufficient expertise and experience, may put time pressure on the output of three or more reports within one year. Hiring period adds to this issue. Early planning for the next year has been advised.
- Transfer of some of unachieved outputs of this year to 2011 may put pressure on the budget of 2011

After the presentation, the participants of the meeting proceeded with discussing the project results so far.

- On the issue of the publication of articles and papers submitted within the framework of the Forum of Economists, it was noted that more than 100 papers were chosen to be included into the publication out of more than 160 received. Due to big amount of articles and papers

selected, it was decided to make two volumes of the publication, the second one containing mainly the articles by young economists. It was suggested that the possibility of including several best articles by young economists into the first volume should also be considered as a way of encouragement of young scientists' work.

- With regards to the regional strategies that were planning to be prepared under the project, the Board members got the assurance that those strategies would entail proper budgeting and financial commitment. It was noted that regional development strategies were to be prepared with the participation of regional finance and economy officials.
- With regards to the issue of lengthy hiring procedures resulting in the delays of implementation of certain research under the project, Nato Alhazishvili reminded that this was a matter of proper planning and UNDP's recruitment procedures should be taken into account, i.e., planning and the recruitment should be started well in advance to avoid any delays.
- Next, it was noted that the Institute, with the help of the project, is undergoing very successful capacity building and strengthening processes. It was mentioned that for the past one and a half years the Institute has been able to fully retain its staff. It was then said that the process of capacity building and capacity strengthening, especially at the level of younger specialists, requires more time. A comparison was made with the Center for Economic Research, which had been receiving UNDP's support in capacity building for the past 16 years. It was additionally noted that unlike the CER, the Institute was raising professional scientists and economists, rather than project coordinators. Finally, it was suggested that due to the fact that the project on Innovation was ending in 2012, it might probably be also logical to synchronize the implementation and closure of both projects with the Institute. Therefore, the National Project Coordinator came forward with the suggestion to extend the project for an additional one year. Following the discussions, the Board reached an agreement to extend the project until December 31, 2012. It was further clarified that the total budget will not increase as a result of the extension. It was agreed that this will be non-cost extension, i.e. the total budget approved at the start of the project will not increase as a result of the extended duration.
- At the end of the meeting, Nato Alhazishvili informed Galina Saidova and the participants about UNDP's upcoming plans to launch in 2012 a new project that would specifically target research activity and support to local think-tanks, including but not limited to the Institute and CER. The modality of the project was still under consideration, however it was expected that the project would provide the support through announcing calls for proposals for pre-defined topics of research, which would be of interest to UNDP and concern the issues of socio-economic development of the country. Galina Saidova welcomed the initiative and noted that this initiative of UNDP would not overlap with the activities of the project on capacity building for the Institute; the project with the Institute targeted the capacity building and support to young scientists/economists, while the new initiative of UNDP would be directed at established expert community in the country.

Concluding the Project Board meeting, Nato Alhazishvili and Galina Saidova thanked the participants of the meeting for their support and cooperation.

V. Conclusions and decisions on follow-up actions resulting from the Project Board meeting:

Project on Innovation and Technology Transfer

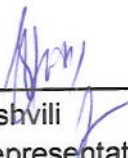
1. The coordination of the work under the first component needs to be improved and the NIS assessment report to be finalized in January 2011.
2. The project should consider preparation of a textbook on the basis of the training modules and materials prepared under the second component (Capacity Building for Technology

Transfer Offices). The textbook and the training module should be coordinated with the Ministry of Higher Education and the Committee on Science and Technology.

3. Work with SGP GEF needs to be further enhanced. In particular, the project should strive for ensuring financing selected innovation projects by the Fund. For this, a new target for 2011 and 2012 is to be included indicating the number of successfully financed projects from the Fund.
4. The project should consider preparation of the concept and draft law on Innovation, in line with Government's recent agenda on national legislation.
5. The orientation trainings for regional government officials on the topics of innovation and technology transfer should be coordinated with the activities of UNDP's other projects (i.e., Local Governance, ELS, ABD, and others that are represented in the regions of Uzbekistan)

Project on Capacity Building for Economic Forecasting

6. The Board reached an agreement to extend the project until 31 December, 2012. It was agreed that this will be a non-cost extension, i.e. the total budget approved at the start of the project will not increase as a result of the extended duration.
7. The project is suggested to consider the possibility of choosing several best papers by young scientists to be included into the first volume of publication (Forum of Economists) as a way of encouragement.
8. In order to avoid delays in conducting research, the project should apply advance planning of recruitment of consultants, which would take into account the timing and procedures required by UNDP to process the recruitment cases.
9. In line with the reached agreement to extend the project for another year, the UNDP Economic Governance Unit and the project management are to prepare the Budget Revision and the tentative Annual Work Plan with key targets and indicators for 2012.
10. Following the extension of the project until 2012 and in order to ensure better quality of the research, the project is to consider re-phasing one of its research topics to 2012 from 2011.



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