

**MINUTES OF THE INTERAGENCY COORDINATION WORKING GROUP/PAC MEETING
to discuss the Local Governance Support Programme / Phase 2**

Project title: Joint Programme of the UNDP and the Cabinet of Ministers of the Republic of Uzbekistan “Local Governance Support /Phase 2” (LGSP-2)

Date: Thursday, February 27, 2014, 15.00-16.30 h.

Venue: 4th floor, Conference-hall, Business Center “Poytakht”, address: 16, Sh.Rashidov Avenue, Tashkent city

Participants:

No	Agency	Name	Initial	Position
ICWG				
1.	Cabinet of Ministers	Fazliddin Bakiev	FB	Chairperson of ICWG, Head of the Main Information and Analytic Department (MIAD)
2.	Cabinet of Ministers	Abdulla Tursunov	AT	Deputy Chairperson of ICWG, Head of the Sector at MIAD
3.	Cabinet of Ministers	Qahramon Shakirov	QSh	Head of the Sector at MIAD
4.	Cabinet of Ministers	Uktam Murodov	UM	Designated employee of MIAD
5.	Ministry of Labor and Social Protection of Population	Botir Alimukhamedov	BA	First Deputy Minister
6.	Chamber of Commerce and Industry	Alisher Shaykhov	ASh	Chairperson
7.	Ministry of Economy	Khasan Kabulov	KK	Head of the Department
8.	Ministry of Finance	Rustam Ergashev	RE	Head of the Department
9.	Women’s Committee of Uzbekistan	Gulnara Marufova	GM	Deputy Chairperson
10.	State Committee for Communication, Informatization and Telecommunication Technologies	Sanjar Saidkhodjaev	SS	Deputy Director of the Center for e-Government Development
11.	National Company Uzbektourism	Abdulaziz Akulov	AAk	Head of the Division
12.	Khokimiyat of Tashkent region	Anvar Abdukadirov	AA	Deputy Khokim
13.	Khokimiyat of Djizak region	Rustam Kenjaev	RK	Deputy Khokim, in charge of social and economic issues
14.	Khokimiyat of Namangan region	Khomitkhon Jalolov	KhJ	Deputy Khokim, in charge of social and economic issues
15.	UNDP LGSP	Dilshod Isroilov	DI	Project Manager, executive secretary of ICWG

Invitees:				
16.	UNDP	Jaco Cilliers	JC	Deputy Resident Representative in Uzbekistan
17.	Academy of Public Administration	Abdujabbor Abduvakhitov	AAb	Rector
18.	Academy of Public Administration	Obid Khakimov	OKh	Deputy Rector
19.	UNDP	Aziza Umarova	AU	Head of the Good Governance Unit
20.	Regional Division of CCI in Tashkent region	Fayzulla Mamanov	FM	Head of the Regional division of CCI
21.	Khokimiyat of Namangan region	Mukhiddin Ibragimov	MI	Head of the Main Department of Economy
26.	UN RC	Khurshid Rustamov	KhR	UN RC Coordination Analyst
22.	UNDP	Akmal Bazarov	AB	Programme Coordinator, GGU
23.	UNDP	Azizkhon Bakhadirov	ABa	Task Manager on Legal Issues
27.	UNDP	Kamolkhon Inomkhodjaev	KI	Programme Associate, Economic Governance Unit
24.	UNDP	Saila Toyka	ST	M&E Officer
25.	UNDP	Liya Perepada	LP	Programme Assistant
28.	UNDP Project:	Ulugbek Islamov	UI	Project Manager
29.	UNDP Project: BFU	Bakhodir Bekov	BB	Task Manager
30.	UNDP Project: BFU	Shukhrat Abdullaev	ShA	Task Manager
31.	UNDP Project: LGSP	Nodir Narkabulov	NN	Task Manager for Djizak region
32.	UNDP Project: LGSP	Bakhtiyor Sayfitdinov	BS	Task Manager for Namangan region
33.	UNDP Project: LGSP	Sheroz Khaydarov	ShKh	E-Government Specialist
34.	UNDP Project: LGSP	Jalol Khodjaev	JKh	Public Relations Specialist

AGENDA:

Discussion of activity areas of the Joint Project of UNDP and the Cabinet of Ministers of Uzbekistan Local Governance Support/Phase-2 (2014-2017)

- JC: On behalf of the UNDP Uzbekistan thanked all participants of the ICWG/PAC Meeting and extended his appreciations to the Cabinet of Ministers for the accorded support in the successful implementation of LGSP-1, as well as thanked Khokimiyats of Djizak and Namangan regions for their active engagement in it. The main objective of the ICWG is to discuss the activity areas of the Joint Project of the Cabinet of Ministers and UNDP Uzbekistan Local Governance Support Programme / Phase -2, within its implementation during 2014-2017. He hoped that LGSP-2 will provide successful outputs. UNDP allocated USD 700,000 for the Project for two years.
- FB: On behalf of the Cabinet of Ministers thanked the UNDP for the successful phase out of LGSP-1 and launch of LGSP-2. On February 14, 2014 the Prime Minister of the Republic of Uzbekistan approved the new ICWG members for LGSP-2. The Project is very important for the development of local governance. Therefore, on June 6, 2013 the Prime Minister personally gave his consent to the extension of UNDP LGSP up to 2017 and inclusion of Tashkent region as a new pilot region. One may consider that positive evaluation of UNDP project by the Government. With the Order of the First Deputy Prime Minister of the Republic of Uzbekistan dated from November 27, 2013, the responsibility for coordination over the activities of LGSP-2 was vested in the Main Information and Analytic Department of the Cabinet of Ministers of the Republic of Uzbekistan. The importance of LGSP-2 is that the outlined tasks of the project are in line with the priority

objectives addressed at the year-end meeting of the Cabinet of Ministers on January 17, 2014. In this regard, the ICWG members should discuss activity areas of LGSP-2 for 2014-2017, which may further be updated given the development priorities of the country. He called on all participants of the meeting to engage actively in discussions and provide concrete proposals on the issues under discussion. Following his opening remarks, he gave the floor to the Project Manager Dilshod Isroilov.

DI: Thanked all partners and UNDP for the support in the implementation of LGSP-1 during 2010-2013 and presented main activity areas of LGSP-2. In particular:

- 1) Project aims to upgrade the local governance with a view to ensure its efficiency and accountability.
- 2) There are 6 priority areas of the project:
 - ***Sustainable territorial development;***
 - ✓ Development of proposals on strengthening the powers of local (regional, city and district) authorities by specifying the distribution of powers between the republican, regional and city / district governments;
 - ✓ Development of City Development Strategies by Khokimiyats:
 - *with involvement of private sector and civil society institutions;*
 - *by taking into account the medium-term budget planning;*
 - ✓ Development of proposals on making amendments and additions to the Law on Local Authorities.
 - ***Development of private enterprise;***
 - ✓ Development of proposals to eliminate administrative and legislative barriers that impede the development of private business;
 - ✓ Development of proposals to improve organizational, legal and regulatory conditions to improve the regions' attractiveness for foreign investors;
 - ✓ Development of proposals for optimizing the tax burden on individuals and legal entities;
 - ✓ Development of proposals to eliminate administrative and other barriers to the development of tourism;
 - ✓ Dissemination of the best practices of Zaamin district branding and marketing strategy in the Tashkent region and other regions of the country.
 - ***Modernization of public administration;***
 - ✓ Development of proposals for optimization of the current system of government;
 - ✓ Introduction of electronic document management system "e-Hujjat" in Tashkent region's khokimiyats;
 - ✓ Assistance in finalizing the draft Resolution of the President of the Republic of Uzbekistan on One-Stop Shops (OSS);
 - ✓ Assistance in the development of online public services and innovative methods of urban management in pilot regions given the international experience;
 - ✓ Study of international experience of a specialized state body (ministry, agency) responsible for local management / development.
 - ***Enhancement of transparency and accountability of local authorities and administration;***
 - ✓ Development of proposals to improve the accountability of local authorities to local Kengashes and the public;
 - ✓ Assistance in the implementation of the Law on Openness of Bodies of State Authority and Administration;
 - ✓ Development of the draft legal act to implement an effective system of monitoring and evaluation of local government.
 - ***Enhancement of activities of local civil servants and strengthening their***

capacity;

- ✓ Development of the draft legal act and Regulations on transparency rules on admission to vacant positions of civil servants;
 - ✓ Development of appropriate regulatory act and regulations to implement the system of performance evaluation of civil servants;
 - ✓ Development of the Concept on Personnel Reserve for the Central and Local Governments (including 30% quota for female professionals and managers);
 - ✓ Assistance to the Academy of Public Administration to improve the efficiency of current curriculum and development of specialized training programs for khokims and their deputies, through the introduction of innovative teaching methods.
- ***Strengthening the budgetary and investment powers of local authorities and administration***
 - ✓ Assistance in the legal experiment of the Budget Code on the local budget management part;
 - ✓ Training of Khokimiyats' employees on the basics of financial management based on international experience and on the Budget Code regulations;
 - ✓ Development of draft legal acts on local budgets' planning and fiscal transparency.

3) Expected outcomes:

- ***At national level:***
 - ✓ Proposals to the Law on Local Authorities;
 - ✓ Proposals to the Budget Code with a view to improve the quality of financial management and increase the local income;
 - ✓ Draft Decree of the President of Uzbekistan on One Stop Shops (OSS) and sustainability of the OSS that operate in pilot regions;
 - ✓ Proposals on the development of businesses, raising of regions' attractiveness for foreign investors, as well as optimization of tax burden levied on individuals and legal entities;
 - ✓ Draft legal acts, provisions on the transparency of admission to vacant civil servant positions, as well as provisions on the introduction of the system of performance assessment of civil servants.
- ***At organizational level:***
 - ✓ Methodology/options of proposals for vertical functional analysis of public services, testing in order to integrate them into the mechanism of local multichannel public services;
 - ✓ Strategies of local development for Djizak and Namangan cities;
- ***At individual level:***
 - ✓ Ensuring the stable functioning of the electronic document management system "e-Hujjat" in 20 khokimiyats of Tashkent region;
 - ✓ Increasing the efficiency of the activities of regional Kengashes of people's deputies, as well as of Djizak and Namangan cities;
 - ✓ New curriculum for civil servants of local authorities and graduates of the Academy of Public Administration.

4) Besides there are some risks the project may face with during its implementation:

- ***At system level:***
 - ✓ Long duration of agreement process on draft legal acts (support of the Main Informational and Analytical Department of the Cabinet of Ministers is needed).
- ***At organizational level:***
 - ✓ Difficulties in collecting of statistics and other data, including for updating and implementation of local development strategies for Djizak and Namangan cities (support of national partners is needed);
 - ✓ Khokimiyats' heavy workload deriving from daily tasks and assignments (approval of the annual Action Plan between the regional khokimiyats and UNDP);

- ✓ Need for additional funding from the regional administrations and international donors (support of MIAD of the Cabinet of Ministers and the UNDP is needed).
- *At individual level:*
 - ✓ Lack of capacity of civil servants and deputies of local Kengashes and high turnover (rotation) of the personnel (systematic and comprehensive approach);
 - ✓ Low perception by khokimiyats of international experience (comprehensive work in cooperation with the Academy of Public Administration is needed).

5) LGSP-2 plans to interact with the following UNDP Projects:

- *Budget System Reform in Uzbekistan Project*
- *Business Forum of Uzbekistan Project, 2-phase (jointly with CCI)*
- *E-Government Project*
- *Projects of the Environment and Energy Unit*
- *Social Innovation and Volunteerism in Uzbekistan, Inclusive Employment and Social partnership Projects, as well as UN-Women*

FB: Thanked Dilshod Isroilov for the presentation and invited participants to discussion.

ASh: LGSP-1 delivered good results since the time proved the project's concept had been developed correctly from its outset. Some initiatives have been scaled up in cooperation with other partners. For instance, LGSP and Labor Unions Federation of Uzbekistan supported the development of the community based tourism in Zaamin district, which is a vivid example of successful social partnership. He informed about the interaction of LGSP with the Chamber of Commerce and Industry within the development of legal acts on One-Stop-Shop. It is important to strengthen the role of the State Committee for Communication, Informatization and Telecommunication Technologies given the gradual introduction of e-government elements in regions of the country.

It is also necessary to take into consideration the personnel issues in regions, huge personnel turnover in state bodies. Therefore, LGSP-2 should pay more attention to training of specialists, especially in such spheres as strengthening of budgeting powers and enhancing of budget management skills. The enactment of the Law on Social Partnership will regulate the cooperation of state bodies with private sector in the implementation of joint projects. He emphasized the importance of further development of private enterprise, optimization of civil service, provision of transparency of bodies of state administration, cooperation with other projects of UNDP.

He announced that the Republican Chamber of Commerce and Industry stands ready to partner with LGSP on all activity areas. Given the paramount complexity of project activities, it is proposed that the project will take opportunity to attract additional funds. For these purposes, he suggested to interact with such international donors as World Bank, Islamic Development Bank, Asian Development Bank, EU and others.

RK: LGSP-1 was implemented successfully and achieved tangible results. A special emphasis was put on the fact that the results of the project were very practical, including OSS, Information Centers, EDMS "e-Hujjat", development of the community based tourism in Zaamin district, etc. Thanked the UNDP for the project and noted that the Khokimiyat of Djizak region stands ready for cooperation within the implementation of LGSP-2.

KhJ: Thanked all participants of the ICWG meeting and UNDP project for the achieved successful results in Namangan region. He noted that LGSP-1 fully accomplished the set tasks, which are indeed important for the development of the region. For instance, three Information Centers were established at the regional, city and district (Yangikurgan district) khokimiyats of Namangan region. The One-Stop-Shop was created in Namangan city to provide public services to citizens. The project also successfully introduced the EDMS "e-Hujjat" into the activities of khokimiyats,

supplied necessary equipment, created web-sites for khokimiyats of Namangan region and city. The Regional Development Strategy was developed for Namangan city. Furthermore, he agreed with the activity plans of LGSP-2 in Namangan region and emphasized the importance of all selected areas.

FB: Emphasized the huge role of the Main Department of the Cabinet of Ministers in identifying main activity areas of LGSP-2. To ensure the successful accomplishment of the set tasks, he proposed to develop Action Plans on an annual basis and indicate there the deadlines for each activity and responsible parties from the UNDP Project and concerned ministries, agencies and khokimiyats. The reports about the progress of Action Plans will be considered at the ICWG meetings.

He noted that LGSP is the only joint project, implemented at such a high level – at the level of the Government. It is under the supervision of the Prime-Minister of the Republic of Uzbekistan, who personally approved the members of ICWG on the UNDP project. In this regard, he called on all participants to take more seriously the achievement of the expected project results. In the end, he proposed to approve the proposed activity areas of LGSP-2 for 2014-2017.

AT: The Deputy Chairperson of ICWG reiterated the importance of the achieved results of the project in 2010-2013. As for the possible risks within the implementation of LGSP-2, he noted that the Main Department of the Cabinet of Ministers will assist to manage risks and mitigate their negative impacts. He asked all participants to thoroughly familiarize with the provided project materials and submit their written comments to the Main Department within three calendar days. Moreover, he expressed a hope to increase the budget of the project by attraction of donors, as far as the allocated budget amount is not sufficient to implement all activities of the project.

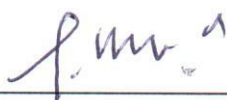
JC: Thanked the participants for their participation and proposals they put forward. He said that UNDP appreciates the trusted relationship with Uzbek Government and the opportunity to be invited to the area of local development. He emphasized that the outlined activity areas of LGSP-2 are in line with the priority areas of the Government. He hoped that UNDP will make significant contribution to the accomplishment of the national development priorities.

He supported the development of annual Action Plans, which allow to monitor the progress of the UNDP Project and to make it accountable not only to the Government and khokimiyats, but also to citizens.

He also confirmed that the project will provide platform and create a space for other development partners and donors, as well as cross reference with other projects to be actively involved in the implementation and success of the project.

To follow-up the meeting, the Interagency Coordination Working Group/PAC has decided to:

1. Take into account the information provided by LGSP Project Manager Dilshod Isroilov on discussed issues.
2. Agree with the new Project Document and main activity areas of LGSP-2, which will be implemented during 2014-2017.
3. ICWG members shall have to submit their proposals on the project document to Main Department of the Cabinet of Ministers within 3 calendar days.
4. The UNDP project (Dilshod Isroilov) in collaboration with the khokimiyats of Djizak, Namangan and Tashkent regions (Rustam Kenjaev, Khomitkhon Jalolov, Anvar Abduqadirov) shall:
 - Develop Road map for project implementation and detailed action plan for 2014;
 - Coordinate workplan between responsible parties and ensure the accomplishment of planned tasks, outlined in the project document;
 - Organize the meeting of the UNDP Resident Representative in Uzbekistan with the Khokims of pilot regions;
 - Take measures to attract additional funds from sponsors and international donors.
5. Main Information and Analytic Department of the Cabinet of Ministers (Abdulla Tursunov, Qahramon Shakirov) shall coordinate the activities of the UNDP Project.



Fazliddin Bakiev

Head of the Main Information and Analytic
Department of the Cabinet of Ministers of the
Republic of Uzbekistan

Chairperson of ICWG, National Project
Coordinator

February 28, 2014



Jaco Cilliers

UNDP Deputy Resident Representative
in Uzbekistan

February 28, 2014