United Nations Development Programme
Country: UZBEKISTAN

Project Document

Project Title	Area Based Development Programme
UNDAF Outcome(s):	Strengthened national and local level capacity to develop, implement and monitor strategies for improving living standards and reducing poverty
Expected CP Outcome(s): *(Those linked to the project and extracted from the CPAP)*	Poor and vulnerable people's access to quality community-based social services improved and new sources of income created
Expected Output(s): *(Those that will result from the project and extracted from the CPAP)*	Regional/local institutions are strengthened to conceive and implement employment generation and poverty reduction initiatives
Implementing Partner:	Ministry of Economy of the Republic of Uzbekistan
Responsible Parties:	Council of Ministers of Karakalpakstan and Regional Khokimiyat of Kashkadarya in coordination with 3 Khokimiyats of the Fergana Valley

Brief Description

This Area Based Development (ABD) programme in Uzbekistan is an integral part of UNDP's strategy of promoting human security and achieving the Millennium Development Goals (MDGs). It contributes to the implementation of the Government's regional development and decentralization policy as expressed in the Welfare Improvement Strategy.

Based on the experience and the lessons learned from previous interventions, the ABD programme combines a geographic and thematic focus. The programme will be implemented in selected districts and communities of Karakalpakstan and Kashkadarya regions to improve the capacity of the authorities to support local development plans and the capacity of communities to take part in and contribute to their socio-economic development. Nationwide, the project will support improved access to microfinance and demonstrate alternative small-scale technologies and approaches for the improvement of living standards in rural areas. Coordination from Tashkent will ensure programme oversight, monitoring and knowledge sharing.

The programme is expected to expand in the future, to accommodate activities in other geographical locations.

Programme Period:	2005-2009	2007-2010 AWP budget:	$3,896,317.80
Key Result Area (Strategic Plan):	Promoting inclusive growth, gender equality and MDG achievement	Total resources required:	$3,896,317.80
		Total allocated resources:	$3,896,317.80
Atlas Award ID:	00047315	• Regular	$3,753,460.80
		• Trust Fund	$ 142,857
Start date:	Aug 1, 2007		
End Date:	Dec 31, 2010		
PAC Meeting Date:	Jun 12, 2008		
Management Arrangements:	NEX		

Agreed by the Ministry of Economy:

Mr. Rustam Shoabdurahmanov, Deputy Minister

Agreed by UNDP:

Mr. Ercan Murat, Resident Representative a.i.

CONTENTS

PART I.   SITUATION ANALYSIS

Background

The Welfare Improvement Strategy (WIS), that is the equivalent of the Poverty Reduction Strategy Paper for Uzbekistan, was adopted by the Government in August 2007. As highlighted in the strategy, there are significant discrepancies in living standards and economic growth between and within regions, and between urban and rural areas. Through the strategy, the government is committed to implementing measures for improving living standards, social services and quality of education and health care, as well as addressing rural development issues, such as employment creation and increased access to microfinance.

In order to meet these objectives, the Government has launched reforms in agriculture, privatization, trade and tax reform, and support to public administration and decentralization. At the regional level, the government provides loans against subsidized interest rates to vulnerable households for home-based income-generating activities, family businesses and livestock development. The loans are financed from the Employment Fund (run by the Ministry of Labour), while the eligible households are identified and selected through the Citizens' (Mahalla) Committees.

Since 2005, the Enhancement of Living Standards (ELS) projects financed by the EC and implemented by UNDP have supported various local initiatives and demonstrated approaches to improve living standards in Fergana Valley and Karakalpakstan (see below), mainly involving rehabilitation of infrastructure, micro-credits and support to farmers' enterprises and small business. In Kashkadarya region, UNDP has supported microcredits projects tailored to the needs of the local farmers and population.

Fergana Valley

In the Fergana Valley in the north-east of the country, the ELS projects have been operating since 2005. These projects have resulted in more than 170 basic infrastructures rehabilitated with community co-financing, thereby benefiting about 300,000 people (approximately 10% of the population living in the target districts). Five farmers' cooperatives (bio-pest control, food processing and machinery cooperatives) were set up and equipped.

Additional EC funds have been given to UNDP to administer for the improvement of living standards of the rural population in the Fergana Valley as a whole for the period 2008-2011. During the period 2005-2007 in the Fergana Valley, approximately 2 million Euros were disbursed by UNDP. Additional 4.5 million Euros are planned for the period 2008-2011.

Karakalpakstan

In Karakalpakstan, where for the past decade UNDP has been providing support to alleviate the consequences of the Aral Sea disaster, UNDP and the EC, again under the ELS framework, have pioneered social mobilization and used the MDGs as a starting point to identify the main problems of 56 rural communities and ways to ensure their contribution to the rehabilitation of social basic infrastructure.

UNDP has also supported the capacity of local micro-credit institutions and promoted. group lending methodologies for improved access to finance. The establishment of three cooperative laboratories for biological pest control and two food processing units were examples of innovative practices and profitable investments in off farming activities.

An on-going UNDP-GEF project that supports the establishment of a biosphere reserve in the Amu Darya river delta utilizes community based approaches to support more sustainable forms of natural resource managements (such as forestry, livestock management, fuel alternatives and local tourism). Community based approaches and volunteerism form the core strategy of a new UNV-UNDP funded project that support communities to address poverty and reduce the prevalence of TB.

3

In March 2008, UNDP supported the government initiative to organize an international donor conference that highlighted the necessity to support adaptation to and mitigation to climate change and initiatives of targeting environmental, integrated water management, rural development and improved governance in the Aral Sea basin. The programme approach of promoting greater self reliance of the rural populations will be instrumental in ensuring that these priorities are addressed at community level.

Kashkadarya, Tashkent and Djizzak region

The Government has chosen Kashkadarya region, where UNDP has been piloting micro credit and support to farmers since 1997, to implement selected policy measures from the WIS at local levels (for example, lifting cotton and grain quota in favour of fruit and vegetable production). In this region UNDP has developed a number of pilots for simplified accounting system for private farms and drip irrigation for fruit producers. The government has also asked UNDP to support the local government to prepare an action plan for the implementation of a long term regional strategy of Kashkadarya.

In Tashkent region, in cooperation with other UN agencies and with the MDG village model in mind, UNDP has used the ABD approach to bring together authorities and communities to rehabilitate village infrastructures (a school). Demonstration of drip irrigation and use of improved seedling varieties have benefited private farmers growing fruit and vegetables in the area as additional crops to cotton and wheat.

Within the context of sustainable land management UNDP has piloted community based approaches in a sixth region (Djizzak) with focus on forestry, livestock, veterinary services and small business.

Lessons of experience

While implementing these initiatives, lessons have been collected, as follows which will be useful in the implementation of the project.

- **Local devlopement planning.** It is important to continue supporting capacity building of local authorities in development planning, because this can encourage participatory discussion at the local level on priority strategic goals and identify measures which can be undertaken by the local population to improve living standards.The preparation of regional strategies linked to the MDGs in five regions where UNDP operates also represented an opportunity for local governments to make an important input to the WIS formulation process. Especially when working with local authorities, it is important to keep training in development planning as concrete as possible and always to back it up with practical demonstrations that emphasized the possibilities that local authorities have to influence positively the socioeconomic development of their constituencies.

- **Community development.** Mahallas (local community based organizations) retain the trust of the population on the whole. Working with Mahalla Committees in local development has promoted citizens' participation in planning and decision-making processes. The lesson for donors is that Mahalla are valid partners in the rehabilitation of social infrastructures and, to a limited degree, in local employment (mainly public works). However, in regard to local employment, Mahallas can do little in the absence of central government policies which promote agricultural reform and private sector.

- **Agricultural cooperatives.** Support to agricultural cooperatives has been a centrepiece of the assistance to income generation in the Fergana Valley and Karakalpakstan. Overall, experience suggests that a focus on agricultural cooperation should be kept. However, in order to target the poorest members of the farming community, assistance should be essentially provided to cooperatives where all or a proportion of the members have landholdings below a maximum size

4

such that they constitute cooperatives of smaller farmers. Household plots and dekhan farms provide most of the household income from sales in local and regional markets, and make a major contribution to families' nutrition requirements. There is very strong traditional knowledge base of small-scale fruit and vegetable processing within the community. Projetc interventions to assist in making these successful small private farming enterprises more efficiently will free time for more domestic value adding activities. Cooperatives of larger farmers/landowners (defined by a land-holding size criterion) , should be only be eligible for loan-funded support or a minority grant element of investment costs (to be provided under specific programmes).

- Microfinance. Training in income generation for clients and support may be time consuming and logistically demanding, especially in low densly populated areas, such as Karakalpakstan. However, its effects on the microcredit borrowers were very positive as training helped them to set up more profitable business and learn how to monitor it effectively. Non collateral and saving schems adminstered by local microfinance organisations should be further encouraged, because they meet the needs of the poor and promote an increased access to finance (micorcredits).

- Private sector development and extension. There has been no support to non-agricultural private sector development in Fergana Valley and Karakalpakstan. The private sector has been slow to emerge in these regions and, outside the service sector in the cities and larger urban centres, there appears to be little opportunity in these regions for private sector development in the form of small and medium enterprises. There are, however, opportunities in input supply and output marketing. There also evidence of strong demand for extension support, as shown by UNDP interventions in Kashkadarya. However, experience has been mixed, with both state-funded and private services rarely able to meet expectations or indeed to survive. Opprtunities in pivate sector development and extension need to be explored further.

Rationale

Because of their novelty and different source of funding, several initiatives of UNDP focusing on rural development have been implemented through separate, often uncoordinated projects. While this has ensured segregation of responsibilities and good administrative and financial management on one hand, on the other it has diluted the overall impact of our interventions, due to the fragmented efforts.

This programme is a substantive revision of the Area Based Development Project in Kashkadarya (see below strategy). It provides an operational framework to: (a) coordinate and articulate an overall, consistent approach for UNDP Uzbekistan to local development; (b) consolidate and expand the ABD geographic focus and (c) attract additional funding. This programme is an integral part of UNDP's strategy of promoting human security and the achievement of MDGs through area-based development (ABD) in the country. The programme is also part of an emerging knowledge and practice network in the country that has the potential of shaping the Government's regional development and decentralization policy through the WIS process and practical experiences at the local level.

PART II. STRATEGY

This three year programme is directly linked to the first outcome of the country UNDAF as it contributes to strengthening national and local level capacity to develop, implement and monitor strategies for improving living standards and reducing poverty.

The programme mainly builds on the achievements of the EU-UNDP ELS projects in Karakalpakstan and the Fergana Valley. UNDP has also supported income generation activities in Kashkadarya aimed at improved access to finance by the rural population.

Main areas of interventions

The programme focuses on three areas of interventions: 1) improved capacity for local development planning and 2) support to communities to set up self-help schemes for improved access to basic services; 3) support to income generation, microfinance and job creation with focus on agriculture and demonstration of appropriate local technologies that can provide an alterative to existing centralized services and small business opportunities.

This programme serves as the main coordination mechanism for all UNDP supported ABD interventions in the country, including those in the Fergana Valley financed by the EC and implemented by UNDP and the TB project in Karakalpakstan funded by UNV and UNDP.[1] Based on the experience and the lessons learned from previous interventions, the programme combines a geographic and thematic focus.

Overall objective

The overall objective of this programme is to contribute to the improvement of living standards of rural population in Kashkadraya and Karakalpakstan.

Outputs and activities

The project output is: regional/local institutions are strengthened to conceive and implement employment generation and poverty reduction initiatives in Karakalpakstan and Kashkadraya that are sustainable, effective and gender responsive.

To achieve this, in Karakalpakstan and Kashkadraya it will: (a) build the capacity of the local authorities to take on increased responsibilities as decentralization progresses and advocate for policies for poverty reduction in the regions (training in regional planning); (b) translate these policies into concrete community-based actions that can be taken by local authorities and communities to fight poverty (through improved access to services and income generation opportunities). Nationwide, the third component will support increased access to rural development services, microcredit and demonstrate and test innovative approaches and appropriate technologies for: (i) alternative basic services (heating, gas, electricity etc.) with the potential to generate small business, (ii) improved farming techniques; (iii) support to migrants and their families and (iv) others, as identified at local level.

The training in regional development planning will seek to increase government officials' familiarity with the MDGs, the concepts of human development, the Welfare Improvement Strategy (WIS) and its relevance to the region. It will also help governemnt officials' share their experiences of regional development planning with other regions of the country (the Fergana Valley).

In order to ensure improved local governance systems for public service delivery in rural areas, the project will help Mahallas identify and prioritize community needs in a participatory manner, mobilize local resources for the rehabilitation of basic infrastructures and prepare local community development plans that can be linked to and financed from the local government budgets and/or sponsors.

To address poor population and small farmers needs, the project will monitor the work of existing microfinance organizations in Karakalpakstan and Kashkadraya who received funds from UNDP in the past and ensure that poor population continues to have access to micro credits without need for collateral (one of the limiting factors to access to microcredit by low income rural population). Training in income generation and business will complement the credits and ensure their improved utilization and sustainability. In order to increase the flow of benefits to the poorest, the project will support cooperatives formed by members with smaller landholdings (dekhans and household plots).

---

[1] For the ELS projects in the Fergana Valley and the UNV – UNDP joint projetc Empowering Communities through Local Volunteerism to address Poverty and Tuberculosis in Karakalpakstan, Uzbekistan, there will be separate, but coordinated administrative and financial mechanisms (i.e. two positions costshared, budget and programme monitoring, in line with donors' requirements).

The project will seek to increase the number of the cooperatives assisted through grant funding. Funds will be rationed by inviting cooperatives' proposals as to their own financial contributions to the cost of the plant or equipment for which partial grant funding is sought. In Karakalpakstan and Kashkadraya region, the programme will operate in districts and selected communities to improve the capacity of the authorities so that they can better support local development plans and the capacity of communities to take part in and contribute to their socio-economic development. Nationwide, the project will support improved access to microfinance and demonstrates alternative small-scale technologies and approaches for the improvement of living standards in rural areas. Overall coordination will be from Tashkent. The programme may be expanded to accommodate more activities in the future. This component will grant funds to rehabilitate basic social infrastructures in the beneficiary districts

In Kashakdarya region, the project will continue its support to the Agriculture Extension Service and Training Centre in Karshi. It will also continue the activities in the 2 pilot districts in Nishan and Kitab and expand them to new districts to be chosen upon inception of the proejct by the project stakeholders. In Tasheknt region, it will continue support the MDG village of Zarkent in Parkent district.

Nationwide, it will pilot and demonstrate appropriate technologies to cover: drip irrigation, bio-gas, more efficient stoves, and solar, hydraulic pumps etc. that can provide an alternative to existing centralized water, gas, electric and heating services and generate alternatives opportunities for related small business. The project will aslo explore possibilities for support to migrants by offering pre-departure vocational courses (masonry, welding, and electricity), information on their rights as per international conventions, support policies that provide incentives for local development and greater self sufficiency of the rural population. (See also result and resurce framework below).

Duration:

August 2008 –December 2010

PART III. RESULTS AND RESOURCES FRAMEWORK Regional/local institutions are strengthened to conceive and implement employment generation and poverty reduction initiatives in Karakalpakstan and Kashkadarya

Intended Outcome as stated in the Country Programme Results and Resource Framework:
Poor and vulnerable people's access to quality community based social services improved and new sources of livelihoods created.

Outcome Indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:
Indicator: Increase in number of jobs locally and nationally, Proportion of financial and community services targeting poor rural households and micro-entrepreneurs
Baseline: Growing disparities in access to basic services and livelihood.
Target: Reduced poverty level and income disparities at national and sub-national levels.

Focus areea: POVERTY REDUCTION AND MDG ACHIEVEMENT **Key result area:** Promoting inclusive growth, gender equality and MDG achievement. Provisional corporate outcome: Strengthened capacities of local governments and other stakeholders to foster participaotry local development for MDGs.

Partnership Strategy: – Implementing Agency: Ministry of Economy Tashkent; Responsible in the regions: Government (Khokimiyat) of the Kashkadarya region – Council of Ministers of Karakalpakstan (overall coordination); District Authorities in target districts (support local level), UN agencies (practice sharing). In coordination with EU-UNDP ELS programme in Fergana Valley.

Project title and ID (ATLAS Award ID): # 0004/315 Area Based Development Programme (Karakalpakstan and Kashkadarya)

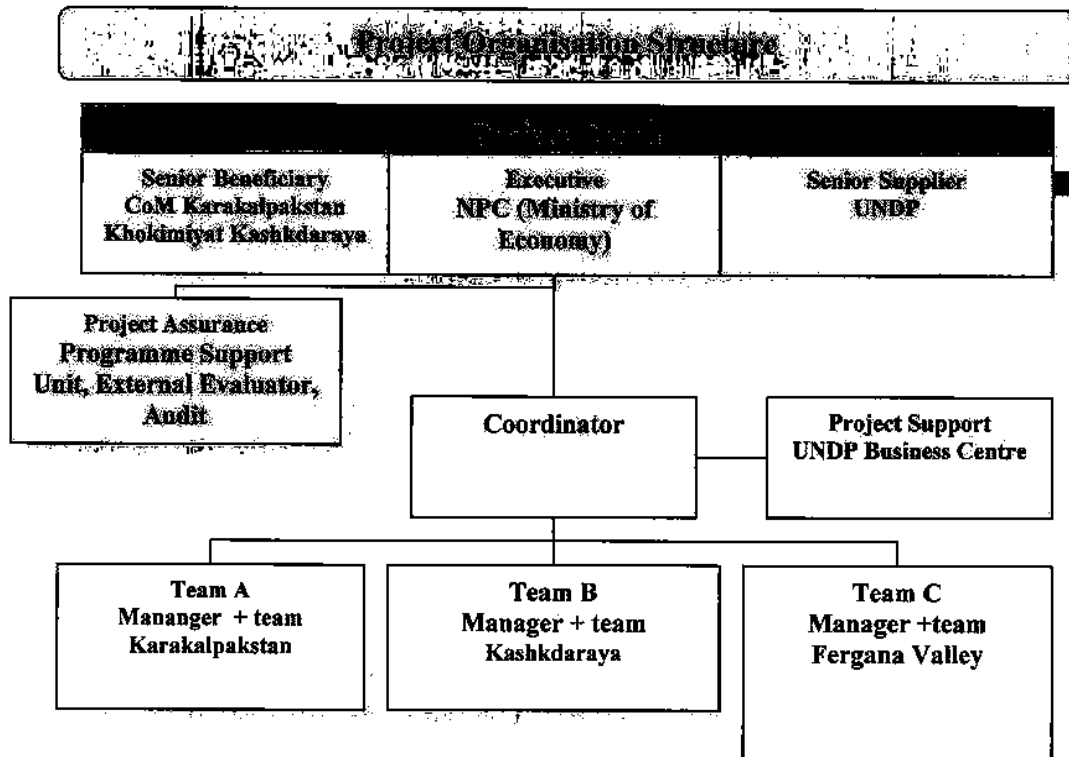| Intended Outputs	Output target for years	Indicative type of activities	Responsible parties	Inputs
Output 1. Regional/local institutions are strengthened to conceive and implement employment generation and poverty reduction initiatives in Karakalpakstan and Kashakdarya that are sustainable, effective and gender responsive Indicator 1. # of govt. officials trained in local devt. planning, quality and outreach of training plan, quality and outreach of regional development strategy advocacy plans Baseline 1. Local government officials in Karakalpakstan and Kashkadarya have limited capacity to promote local development. There is no recognized curriculum in regional development planning and qualified trainers. Socioeconomic data is not systemized & available to support and advocate for region local planning by local govt. and communities in KKP & Kashkadarya.	**1. Targets 2008:** 1.1. 20 regional and local staff from government institutions (Khokimiyat) capable to prepare a regional action plan 1.2. [2] training curricula in regional development planning and at least 2 trainers trained 1.3. [1] regional development strategy advocacy plan with disaggregated socioeconomic data presented to local government	**1.Middle level local Government officials in Karakalpakstan and Kashkadarya are better capable to support local development plans.**	Chairman of the Council of Ministers of Karakalpakstan & the Khokim Kashkadarya region offices. Key line Ministries and Khokimiyat departments. UNDP	Consultants contractual services, hardware, office supplies. Study tours, events (conferences, round tables, seminars, workshops). Publishing. National and international experts, natioanl/loca and internatioanl travel. ABD Project Team, operatioanl and recurrent costs.

	Indicator / Baseline	Targets 2008:	Outcome	Partners	Indicative Activities
	Indicator 2: # of local tools available to access information & foster community awareness of local devt.; # of community projects co-funded by communities; access to working basic services improved; # of community based facilities to support local priorities; # of ICT materials produced and disseminated by centres; # of resident facilitators trained in community mobilization techniques Baseline 2. Communities in Karakalpakstan and Kashkadarya have limited access to socioeconomic information for local planning, play a limited role in their socioeconomic development; Acesss to working basic services is low ; Low capacity of Mahalla system lacks organizational capacity to support local development and community involvement in Karakalpakstan and Kashkadarya.	2.1. [20] community development plans & baselines and 20 public consultations in local development planning, implementation and monitoring 2.2. [20] community projects implemented for improved access to basic services [at least 255 co-funding from communities]. 2.3 10% for water, 1.5% for health; 8% for gas of the total population of the target districts as per individual baseline (2008) 2.4. [4] Mahalla based Information & Resource Centres equipped and operational 2.5. Information material on mahalla functions and rural devt. drafted 2.6. [4] centre facilitators identified & trained in community & resource mobilization, budget preparation, need prioritization; etc.	2. Local communities in Karakalpakstan and Kashkadarya are better capable to take part in and contribute to their socio-economic development.	District Khokimiyat Offices Mahalla Fund Local Mahalla Committees Local Initiative Groups UNDP	Training, local and national experts, national research centres, international/ national trainers and experts. Publishing. Contractors, Construction supplies, travel and transport, equipment. Events (conferences, round tables, seminars, workshops). National, international consultants/experts. Study tours, training, travel. Local and international travel. ABD project team and operations/ecurrent costs

	Targets 2008:	3. Communities have increased access to rural development services and business opportunities in Karakalpakstan, Kashkadarya region and nationwide	District Khokimiyat Offices / Mahalla Fund / Local Mahalla Committees / Rural facilitators / Local Initiative Groups members [small farmers, small entrepreneurs]. MFIs, MFI clients. Local Initiative Groups. UNDP.	Events (conferences, round tables, seminars, workshops). Equipment. Publishing. National, international consultants/experts. Study tours, training, travel. Local and international travel. ABD project team and operations/ecurrent costs.
Indicator 3. # of centres providing advisory services in issues relevant to the communities; # of trained extension workers; # of initiative groups organized themselves to market local produce and services more effectively, small agriculturalists/households and women are better aware of how to access finance to support increased production & provide improved services; % of initiative groups that have developed a successful business plan; # of demonstrations and replications on how to use new appropriate technologies; # of credits products adapted by people w. low income & women; increased %age of low income women as the MFI clients; % of credits provided to people w. low income as proportion of MFI total business

Baseline 3. Limited rural and business advisory services providers available in the community; Limited # of qualified extension workers in agricultural & business services; Limited opportunities for households/communities to organize themselves to market local produce and services more effectively. Small agriculturalists/households and women do not know how to access finance to support increased production & provide improved services. Cooperatives, groups, enterprises do not know how to access credit or get support from banking system. Household, small agriculturalists do not know how to use new appropriate technologies. Low income communities nationwide have limited access to credits products and training in income generation tailored to their needs. Low income women represent 60% of MFI clients; Credits to low income from projects' funds represent an average of 60 % of the MFI total business. | 3.1. At least 2 community based rural development centres (possibly within the Mahalla Information & Resource Centers) funded and equipped by the project [with appropriate technology]

3.2. [4] rural facilitators trained and coached by 3.3. [2] initiative groups formed and trained (at least 20 people trained in 2 workshops).

3.4. [2] trainings in business & income generation to at least 10 people per one community in 2 communities (40-80 people, of whom at least 50% women

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

3.8. Al least 10%

3.9. At least 70% credit to low income as proportion of total business. | | | |

PART IV. ANNUAL WORKPLAN (attached separately)

PART V. MANAGEMENT ARRANGEMENTS

Project Organisation Structure

Senior Beneficiary CoM Karakalpakstan Khokimiyat Kashkdaraya	Executive NPC (Ministry of Economy)	Senior Supplier UNDP

Project Assurance Programme Support Unit, External Evaluator, Audit

Coordinator

Project Support UNDP Business Centre

Team A Mananger + team Karakalpakstan	Team B Manager + team Kashkdaraya	Team C Manager +team Fergana Valley

The programme will be nationally executed. The Ministry of Economy will appoint a National Programme Coordinator (NPC). The NPC will provide strategic guidance to and ensure oversight of the programme. The NPC will appoint regional project coordinators (RDCs) to supervise different projects under the programme at the regional levels. This arrangement will be formalized through a memorandum of understanding between UNDP and the regional authorities in Karakalpakstan and Kashkadarya.

A Programme Steering Committee (SC), chaired by the NPC, and comprising the RDCs or their representatives and UNDP, will be responsible for strategic monitoring and oversight of the programme, ensuring exchange among the regions and linking their results with government policies. The programme SC will meet at least twice per year to review implementation. In addition, each project will have its own working group that will meet as required.

In UNDP the programme will be overseen and coordinated by an international Programme Coordinator in Tashkent, under the direct supervision of the UNDP Deputy Resident Representative. The Coordinator will be aided by a Programme Technical Adviser also based in Tashkent. Coordination from Tashkent will reinforce the management and implementation capacity established by UNDP in Karakalpakstan and Kashkadarya (UNDP project offices). It will also provide an operational platform for additional donor funding to the regions. An integrated programme implementation approach, joint administration and management thus ensure that the components in Karakalpakstan and Kashkadarya and the national component work in synergy with one another and with the ELS projects in the Fergana Valley, thus multiplying their impact on the ground, while at the same time, ensuring effective resource utilization.

The activities in Karakalpakstan and Kashkadarya will be each managed by an area manager, based in a UNDP regional project office. The area manager and administrative finance assistant positions in Nukus, Karakalpakstan will be cost shared with the UNDP-UNV project *Empowering Communities through Local Volunteerism to address Poverty and Tuberculosis in Karakalpakstan, Uzbekistan.* The area managers will report directly to the Programme Coordinator. The area managers in the regions will be responsible for the implementation, administrative and financial oversight of the activities. They will supervise a team of specialists (task managers) responsible for technical advice and guidance. The area managers will be aided in their work by the Adviser. Two thematic experts based in Tashkent will provide additional support to the project in specific areas. Other non-core positions may be added, in accordance with the needs of the project.

The core positions under the ABD programme are:

1) Tashkent Coordination Unit:

Positions	Funding
Programme Coordinator	ELS
Programme Adviser	ELS and ABD (79-21)
2 Programme Thematic Experts	ELS and ABD (50-50)
Administrative and Finance Manager	ELS and ABD (50-50)
Public Relations	ELS ABD (50-50)
Administrative and Finance Assistant	ELS ABD (50-50)
Support staff	ABD

2) Regional Project Office in Karakalpakstan and Kashkadarya (typical structure funded by ABD)

- 1 Area Manager (cost shared with TB project in Karakalpakstan)
- 1 Task Manager (Community Development)
- 1 Task Manager (Rural finance and business service development)
- 1 Administrative and Finance Assistant (cost shared with TB project in Karakalpakstan)
- Drivers cum logistic
- 3 Guards, Cleaner(cost shared with TB project in Karakalpakstan)

Below is a summary table showing the task mangers positions and their link with the main activities.

Position	Outputs
Task Manager Community Development	Local communities are better capable to to take part in and contribute to their socio-economic development.
Task Manager Rural finance and business service development	Communities have increased access to rural development services and business opportunities.

National and international roving advisers (business, finance, policy, agro-sector, legal and appropriate technology), local consultants (civil engineer, water engineer, accountants) and support personnel will be recruited to support the programme coordination unit in Tashkent and regioanl offices in the regions. The ABD coordination unit in Tashkent and each of the regional offices will require a vehicle.

Direct UNDP Country office Support Services to the Programme Implementation:

The UNDP and the Ministry of Economy have agreed that the UNDP Country Office will provide the following support services for the project activities at the request of the Ministry of Economy:

(a) Identification and/or recruitment and solution of administrative issues related to the project personnel;
(b) Procurement of commodities, labor and services;
(c) Identification and facilitation of training activities, seminars and workshops;
(d) Financial monitoring and reporting;
(e) Processing of direct payments;
(f) Supervision of project implementation, monitoring and assistance in project assessment.

The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Ministry of Economy is strengthened to enable it to carry out such activities directly.

When providing the above support services, the UNDP Country Office will recover the costs for providing Implementation Support Services on the basis of actual costs and transaction fee based on the Universal Price List (see Annex1 attached). According to the corporate guidelines, these costs are an integral part of project delivery and, hence, will be charged to the same budget line (account in AWP) as the project input itself.

The procurement of goods and services and the recruitment of project personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. If the

requirements for support services by the country office change during the life of a project, the list UNDP country office support services is revised with the mutual agreement of the UNDP resident representative and the Ministry of Economy.

The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of Uzbekistan and the UNDP, signed by Parties on 10th June 1993, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services.

The Ministry of Economy shall retain overall responsibility for this nationally managed project and will appoint the National Project Coordinator (NPC). Direct responsibility of the NPC will be provision of strategic advice, as well as coordination of the project activity taking into account interests of the Government. He/she will approve Annual Work Plan of the Project, according to which the whole project activity will be carried out.

Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this document shall be handled pursuant to the relevant provisions of the SBAA.

> This project will collaborate with the EU-UNDP Project Enhancement of Living Standards in Fergana Valley with which it shares the same objectives and activities and with other related UNDP projects.

> This project will be audited in accordance with UNDP standards rules and procedures.

VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

> On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.

> An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.

> Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.

> Based on the above information recorded in Atlas, a Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.

> a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project

> a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

> **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

> **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made twards outputs, and that these remain aligned to appropriate outcomes.

> **Evaluation at the end of the project (September 2010)** required due to the complexity and innovative aspects of the project. This evalaution will be carried out simulatnoeulsy with other UNDP supported activities (i.e. UNV-UNDP supported TB project and EU-UNDP supported Enhacement of Living Standards in Fegana Valley).

Quality Management for Project Activity Results

Replicate the table for each activity result of the AWP to provide information on monitoring actions based on quality criteria. To be completed during the process "Defining a Project" if the information is available. This table shall be further refined during the process "Initiating a Project".

OUTPUT 1: Regional/local institutions are strengthened to conceive and implement employment generation and poverty reduction initiatives in Karakalpakstan and Kashakdarya that are sustainable, effective and gender responsive.		
Activity Result 1 (Atlas Activity ID)	*Short title to be used for Atlas Activity ID* Middle level local Government officials in Karakalpakstan and Kashkadarya are better capable to support community development plans	Start Date: July 2008 End Date: December 2010
Purpose	*What is the purpose of the activity?* **Develop local government ability to support community development plans and improved acces to services by communities**	
Description	*Planned actions to produce the activity result.* Develop & endorse training in local planning & information campaign on MDG tracking and monitoring; conduct TOT & certify trainers; train key autorities in CoM & Khokimiyat & assist them to develop & support local action plans and ensure that access to basic services is integrated into & supported by local budgetary allocations. Evaluate training and information campaign.	
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. What method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*
Training and MDG awarness plans prepared in cooperation with local authorities and representatives of communities include participatory bottom up approaches	Feedback from international and national experts	December 2008
# of certified trainers	Feedback from trainers, international and national experts	December 2009
% of middle level govt.officials in CoM and Khokimiyat trained who pass the final test	Feedback from trainees, international and national experts	December 2009
% of trained govt.officials (by gender) demonstrating knowledge and necessary skills to support local plans	Feedback from trainers and communities, # of training courses attended coupled with level of participation	December 2009
% of communities whose development plans are included in local budgets	Feedback from trainers and communities	September 2010

% of satisfied govt officials and communities (by gender)	Suverys and focus groups	September 2010

Activity Result 2 (Atlas Activity ID)	*Short title to be used for Atlas Activity ID* **Local communities in Karakalpakstan and Kashkadarya are better capable to take part in and contribute to their socio-economic development.**	Start Date:June 2008 End Date: December 2010
Purpose	*What is the purpose of the activity?* Assit communities to prepere & implement development plans that can be supported from local budgets and implement small scale infrastructure community projetcs for imporved access to basic services using particpatory approaches.	
Description	*Planned actions to produce the activity result.* Develop selection criteria and select communities; set up, mobilize, and train initiative groups; prepare community development plans, train target communities in problem identification, analysis, budget planning and resource mobilization. Asist communities to present plans & priority sub-projects to local authorities for support and financing. Selectcommunity projects, implement, monitor and evaluate them.	

Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. What method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*
Communities and districts are selected transparently	Selection crieria endorsed by local authorities and mahalla committees	Deecember 2008
Community plans & projects implemented	Field visits & reports	Annually
# of communities whose development plans are included in local budgets	Endorsment of plans	December 2009 and decmber 2010
% of local development plans that reflect the differentiated needs of womeen and men in the communities	Field visits, reports, rapid rural appraisal	September 2010
% of satisfied government officials and communities (by gender)	Survey and feedback, raid rural appraisal	September 2010
% of increase in access to basic services by year 3	Official data and data collected by the project, poverty maps, MDG baselines and targtes.	December 2010

Activity Result 3 (Atlas Activity ID)	*Short title to be used for Atlas Activity ID* **Communities have increased access to rural development services and business opportunities in Karakalpakstan, Kashkadarya region and nationwide**	Start Date:June 2008 End Date: December 2010
Purpose	*What is the purpose of the activity?* To set up rural groups of producers and service providers [cooperatives], offer possibillities for training & equip them with small technolgies. In parallel, promote packages of rural services, including microcredit products tailored to the needs of low income & small entrepreneurs groups and alteratives to existing centralized services that can be replicated and marketed.	
Description	*Planned actions to produce the activity result.* Select pilot communities & assess community productivity.Mobilize communities & agree on economic priorities. Identify facilitators and mobilize initiative groups and ddevelop a training plan in resource mobiliztion, access to credit, extension services for local facilitators and initiative groups. Set up and equip community based rural development centers [cooperatives] to organize production and marketing. Train centres staff in business planning, access to credit and/or grant funding & monitor centres' activities. Assess activity [satisfaction survey& external evaluation] & share lessons.	

Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. What method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*
Community based initiative groups trained capable of mobiilizing respurces & provide extension services (agricultural & rural busiess)	Feedback from trainees and interviews with communities, international and national experts	June 2009
New microcredit products tailored to the needs of low income peole adopted by local MFIs	Suvey and focus groups	Decmber 2008 December 2009
Degree of satisfaction of service providers and products by clients	Survey and focus groups	September 2010
% of women clients with access to m-credits	Quarterly Monitoring, feedback from client	Quarterly

who are able to set up their own busiiness & make a profit	survey	
Small technologies (biogas, drip and hydraulic irrigation) replicated and marketed	Feedback from communities, international and national experts, profit made	December 2009 September 2010

PART VII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Uzbekistan and UNDP, signed on June 10, 1993.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.
The executing agency shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.
The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

PART VIII. ANNEXES (attached separately)

Annex 1. Risk Analysis

Annex 2. Terms of Reference

RISK LOG
Area Based Development Programme
Atlas 00047315

(see Deliverable Description for the Risk Log regarding its purpose and use)

Project Title: Area Based Development program   **Award ID: 00047315**   **Date:**

#	Description	Date Identified	Type	Impact & Probability Enter probability on a scale from 1 (low) to 5 (high) P = Enter impact on a scale from 1 (low) to 5 (high) I =	Countermeasures / Mngt response What actions have been taken/will be taken to counter this risk	Owner Who has been appointed to keep an eye on this risk	Submitted, updated by Who submitted the risk	Last Update When was the status of the risk last checked	Status e.g. dead, reducing, increasing, no change
1	Natural disasters agricultural shock (draught) and other natural disasters	April 2008	Environmental	Project activities disrupted P=1 I=4	UN Contingency Plan to ensure disaster preparedness and security compliance in the field	PM	UNDP	July 2008	
2	Turn over in local government	April 2008	Organizational	Project activities are delayed P=3 I = 2	Good line of communication with implementing partner	PM	UNDP	July 2008	
3	Price fluctuations	March 2008	Financial Operational	Project activities are delayed or disrupted IM-credit rates increased P = 3 I = 2	Multiyear annual budget takes into account inflation Support to communities and MFI in meeting of operational cots	TM 2 (tbc)	PM	July 2008	
4	Large and complex project with frequent procurement and recruitment	March 2008	Organizational	Project activities are delayed P=2 I=3	Prepare, maintain an update procurement & recruitment plan	PM	UNDP	July 2008	