United Nations Development Programme
Country: __UZBEKISTAN__

Project Document

Project Title	Enhancement of Living Standards Programme in the Fergana Valley
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:	3 Regional local governments (Khokimiyats) of the Fergana Valley.

Brief Description

This project seeks to improve the capacity of local authorities and community based organizations to support local development planning for improved service delivery and access to quality basic services by rural population. It also supports improved access by rural population (small farmers/entrepreneurs and households) to specialized rural extension services, knowledge and inputs. The project promotes an integrated approach, whereby the three project components (increased capacity for local development planning, improved access to basic services and increased opportunities for income generation) work in synergy to support the national development strategy in the regions and the Millennium Development Goals (MDGs). This project is part of the UNDP Area Based Development programme and works in close coordination with the on-going ELS project in Andijan and Namangan, also funded by the EC and implemented by UNDP.

Programme Period:	2005-2009	2009 AWP budget:	€ 1,268,494.50
Key Result Area (Strategic Plan):Promoting inclusive growth, gender equality and MDG achievement		Total resources required: Total allocated resources:	€ 3,850,000 € 3,850,000
Atlas Award ID: 00051353 Atlas Project ID: 00063911		• Regular • EC	€ 350,000 € 3,500,000
Start date: End Date:	11 December 2008 31 December 2010		
PAC Meeting Date: Management Arrangements:	_____ NIM		

Agreed by UNDP:

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Ms. Anita Nirody, UNDP Resident Representative in Uzbekistan

Agreed by the Ministry of Economy:

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Mr. Rustam Shoabdurakhmanov, Deputy Minister, Ministry of Economy

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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. The strategy directly contributes to achieve the first Millennium Development Goal (halve poverty from 23.5 to 14.5 by 2015).

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.

As member of the UN country Team, UNDP supports the Government to improve living standards and strengthen national capacities to develop, implement and monitor strategies for improving living standards and reducing poverty. As agreed with the Government in the United Nation Development Framework for 2010-2015.

The Fergana Valley

The Fergana Valley consists of three regions (Andijan, Fergana and Namangan) and has a population of 7 million (approximately 30% of the total population). Approximately 84% of the population is Uzbek, with other groups including Russian (mainly in Fergana City), Tajik and Kyrgyz. Approximately 68% of the population is rural. The valley covers 22,000 sq km (8,500 sq miles) and is surrounded by the Pamir and the Tien Shan mountains. It is sufficiently endowed with water, which is largely used for irrigation. The valley is the region's major agricultural producer of cotton, silk, grain, fruits and vegetables. It also has a significant industrial and agricultural potential (agricultural machinery, oil and oil refining, chemicals and fertilizers).

In the Fergana Valley, 3 ELS projects have been operating since 2005. During the period 2005-2007 in this region, approximately 2 million Euros were disbursed by UNDP. 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. In addition, the ELS project in Andijan and Namangan [two of the three regions of the Fergana Valley] is presently ongoing.

Within the context of area based development, UNDP is also implementing the ABD programme in Kashkadarya, Karakalpakstan and Tashkent region that sues the same methodology and pursue the same objective of this ELS project.

Rationale

The issues to be addressed by this project can be broken down into three main categories: 1) limited capacity of local authorities for effective and accountable local planning and public service delivery; 2) limited access to quality basic services by rural population coupled with limited capacity of community based organizations to support service delivery; 3) limited access by rural population and households to markets, information, assets, and opportunities for the poor as producers, wage earners, and consumers., factors that reduce access to jobs and income. The combination of these issues to various degrees contributes to slowing down local development and impacts negatively on the living standards of the rural population.

The project seeks to address these issues, by consolidating the integrated approach of the previous ELS interventions and extending it to the whole of the Fergana Valley. In the light of the lessons learned since 2005, and in line with the recommendations of ELS project evaluations and EU monitoring visits, the project will mainly focus on Component 2 "Community Development" for improved access to basic services, because of its social outreach potential and the good results achieved in previous ELS operations. This component complements and builds synergy with the Government's work for improved access to social infrastructures and expands to the whole of the Fergana Valley the participatory approaches successfully demonstrated in previous ELS projects.

PART II. STRATEGY

This project is part of the UNDP country programme action that applies an area-based approach to development in the FGErgan Valley. It focuses on three key and inter-linked areas: support for market reform within the WIS and MDG process, rural development as well as private sector development.The ELS project strategy is reflected in its integrated approach, whereby the three project components (increased capacity for local development planning, improved access to basic services and increased opportunities for income generation) work in synergy to support the implementation of the WIS in the regions and the Millennium Development Goals (MDGs).

The first component trains local authorities to advocate for a shift from centralized planning to policies that provides incentives for local development and greater self sufficiency of the rural population. It also facilitates exchange of practices and experience amongst the three regions of the Fergana Valley.

The second component, the largest and most significant of the project complements the Government's work for improved access to social infrastructures and expands to the whole of the Fergana Valley the participatory approaches successfully demonstrated in previous ELS projects.

The third component extends the benefit of rural development, agro extension, and business to the low income communities and households targeted by the second component. Also, the project demonstrates appropriate technologies that can offer alternative access to basic services and provide small business opportunities to rural population.[1]

Main areas of interventions:

- Capacity buiding of local partners to support polices that provide incentives for local development and greater self sufficiency of the rural population
- Support community self-help schemes for improved access to basic services
- Support income mechanisms, microfinance and job creation with focus on agriculture and demonstration of small scale, innovative approaches to improve rural living standards.

Overall objective: The overall objective of this programme is to contribute to the improvement of living standards of rural population in Fergana Valley.

Programme duration: The project begins on 11 December 2008 and will last until 31 December 2010.

Output and activities: The output of the project is that regional/local institutions are strengthened to conceive and implement employment generation and poverty reduction initiatives in Fergana Valley that are sustainable, effective and gender responsive. Activities are outlined in the results and resource framework below.

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[1] Demonstrations may include viable appropriate technologies to access some types of basic services (such as bio-gas, more efficient stoves; solar) that can provide an alternative to exiting centralized gas, electric and heating services; family education methods to improve quality and outreach of health services promotion of gender equality; information to communities about HIV/AIDS, identification of migrants supported social schemes and vocational training, alternatives opportunities for small business (small irrigation, livestock, veterinary services, trade).

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

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:
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.

Focus areea: POVERTY REDUCTION AND MDG ACHIEVEMENT **Key result area:** Promoting inclusive growth, gender equality and MDG achievement

Partnership Strategy: – Implementing Agency: Ministry of Economy Tashkent; Responsible in the regions: 3 Government (Khokimiyats) of the Fegana Valley region (Namangan, Andijan and Fergana) ; District Authorities in target districts (support local level), UN agencies (practice sharing). In coordination with EU-UNDP ELS programme in Anidijan and Namangan Phase II.

Project title and ID (ATLAS Award ID):Project # 00063911 (Award # 00051353) *# Enhancement of Living Standards Programme (Fegana Valley)*

Intended Outputs	Output target for years ²	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 Fergana Valley that are sustainable, effective and gender responsive Indicator 1. # of govt. officials trained in local devt. planning, and exposed to internatioanl experience; quality and outreach of training plan, quality and outreach of MDG advocacy plans **Baseline 1. Local government officials in Fergana Valley have limited exposure to international experience of**	**1. Targets 2009:** 1.1. [12] regional and local staff from government institutions (Khokimiyat) trained and exposed to international experience in local planning 1.2. [1] Fegana Valley advocacy and awareness campaign and initiatives on the MDGs as a tool to prioritize problems, set baselines and targets for local development.	**Activity 1. Middle level local Government officials in Fergana Valley are better capable to support local development plans, advocate for MDGs and coordinate with donors.** *Actions:* 1.1. Conduct assessment to assess LG's capacity to deliver services and verify baseline (incl. assets and needs) 1.2. Develop and conduct hands-on training in local	3 Khokims in the Fergana Valley 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. ELS Project Team, operatioanl and recurrent costs.

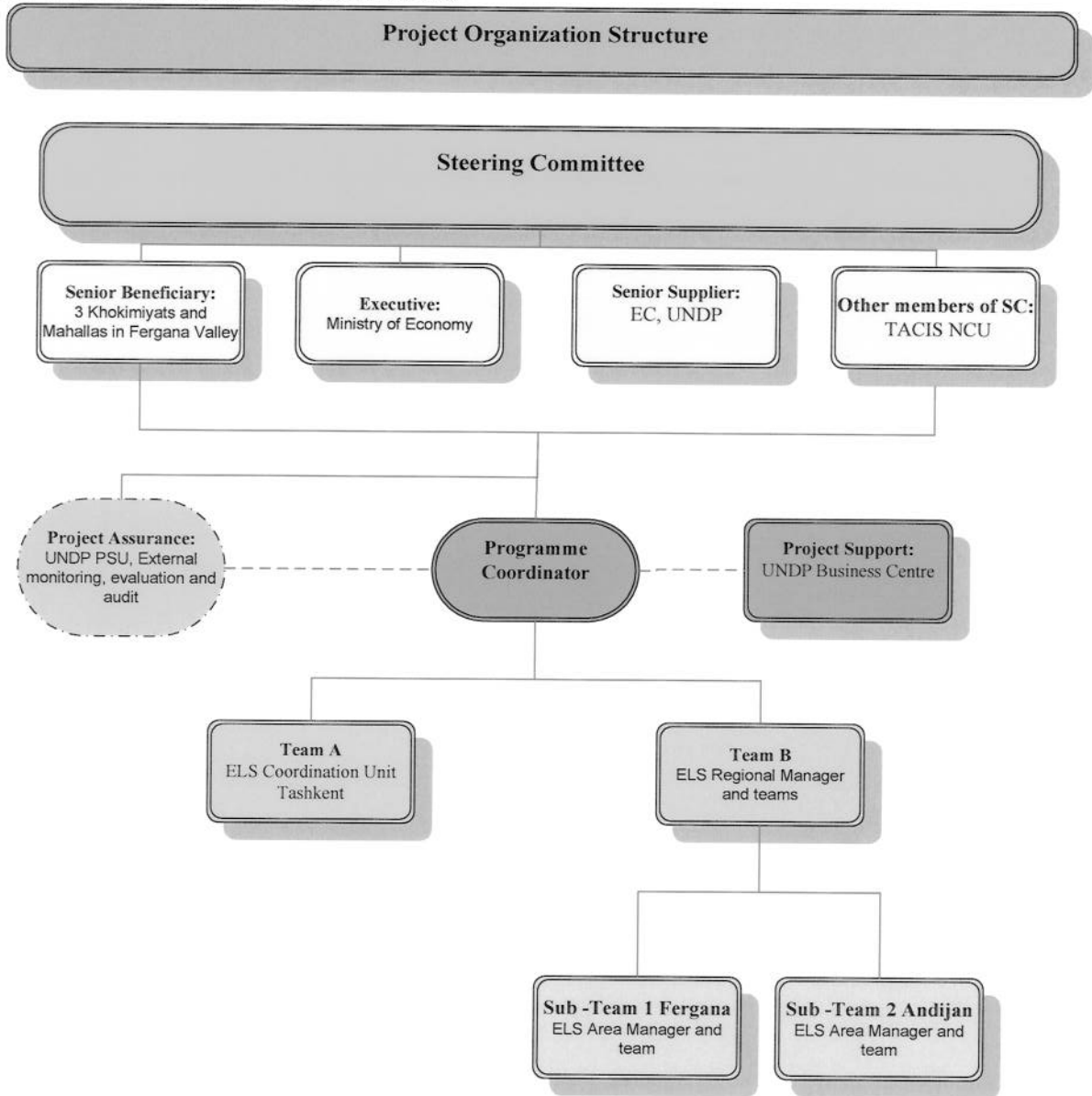² This is a large and complex project operating in 3 regions simultaneously. Targets for following year 2010 will be included at the end of 2009

	Targets 2009:	planning	District	Training,
local planning; Low capacity to assess non-income dimension of poverty; Inadequate M&E systems for local planning; Insufficient accountability to citizens for quality of public service delivery; limited capacity to advocate for MDGs in local planning.		1.3. Organize events in support to local authorities to advocate for and share practices of integrated rural devlopment, local MDGs and regional coordination.	Khokimiyat Offices Mahalla Fund Local Mahalla Committees of the Fergana Valley Local Initiative Groups UNDP.	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. ELS project team and operations/ecurrent costs.
Indicator 2. # of local tools available to access information & foster community awareness of local devt.; # of community projects (upgrading basic sevices and replacing simple infrastrcutures i. pipes etc) 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;# of sustainable local development plans supported by authorities for prioritized municipal services	2.1. [24] community development plans & baselines and 6 public consultations in local development planning, implementation and monitoring. 2.2. [24] community projects identified improved access to basic services [at least 5 co-funding from communities].	2. Local communities in Fergana Valley are better capable to take part in and contribute to their socio-economic development. **Actions:** 2.1 Train and support communities to prepare MDG based community development plans 2.2. Train communities to prepare & support them to implement community projects		
Baseline 2. Communities in Fergana Valley have limited access to socioeconomic information for local planning, play a limited role in their socioeconomic development; Acesss to working basic services is low ; Water; gas and electricity system is deteriorating and there is incomplete coverage; Low organizational capacity of Mahalla system to support local development and community involvement in Fergana Valley.	2.3. Information material on local opportunities for rural development. 2.4. [30] information and resources centre facilitators trained in community & resource mobilization, budget preparation, need prioritization; etc.	2.3. Measure and monitor community projects impact 2.4. Set up community information centres 2.5. Collect and share information 2.6. Train centre personnel and organze exchanges.		

Indicator 3. # of centres providing advisory services in issues relevant to the communities; # of trained extension workers; # of initiative groups that have 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 fsmall armers trained in mrketing, business, admisntration; % of initiative groups that have developed a successful business plan; # of demonstrations and replications on how to use new appropriate technologies. **Baseline 3. Poor rural extension and finanncial services; Limited rural and business advisory service 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 farmers do not know how to use new appropriate technologies.**	**Targets 2009:** 3.1. [30] rural facilitators trained and coached 3.2. [8] initiative groups formed and trained (at least 50 people trained in 6 workshops). 3.3. [90] people trained in business & income generation (of whom at least 50% women) 3.4. At least 8 pilots of alternative energy sources in health and education facilities and 2 alternative small appropriate farming technologies identified for demonstration.	**3. Communities have increased access to rural development services and business opportunities in Fergana Valley.** **Actions:** **3.1 Set up local business centres for technical assistance and advisory services** **3.2. Train small private farmers and low income households farming & business** **3.3. Develop and demonstrate pilot initiatives for improved farming and business** **3.4. Set up & equip producers and service facilities** **3.5. Promote local business and agricultural extension services.**	District Khokimiyat Offices Mahalla Fund Local Mahalla Committees Rural facilitators Local Initiative Groups members [small farmers, small entrepreneurs]. MFIsand their clients. UNDP.	Events (conferences, round tables, seminars, workshops). Equipment. Publishing. National, international consultants/experts. Study tours, training, travel. Local and international travel. ELS project team and operations/ecurrent costs.

PART IV. ANNUAL WORKPLAN (ATTACHED SEPARATELY)

PART V. MANAGEMENT ARRANGEMENTS

Project Organization Structure

Steering Committee

| Senior Beneficiary: 3 Khokimiyats and Mahallas in Fergana Valley | Executive: Ministry of Economy | Senior Supplier: EC, UNDP | Other members of SC: TACIS NCU |

Project Assurance: UNDP PSU, External monitoring, evaluation and audit

Programme Coordinator

Project Support: UNDP Business Centre

Team A ELS Coordination Unit Tashkent

Team B ELS Regional Manager and teams

Sub-Team 1 Fergana ELS Area Manager and team

Sub-Team 2 Andijan ELS Area Manager and team

The project will be nationally implemented. The Ministry of Economy (MoE) is the Implementing Agency who will appoint a National Programme Coordinator (NPC) to perform the function of the Executive in the Project Steering Committee.

This arrangement will be formalized through a memorandum of understanding between UNDP, MOE and the regional authorities in Namangan, Andijan and Fergana.

A Project Steering Committee, chaired by the NPC, and comprising the senior beneficiary (Khokimiyat and Mahallas) and senior supplier UNDP and the EC, will be responsible for strategic monitoring and oversight of the programme, ensuring exchange amongst the three regions and linking their results with government policies. The programme Project Steering Committee will meet at least twice per year to review project implementation. In addition, each project will have its own working group that will meet as required.

The programme will be overseen and coordinated by an international Programme Coordinator in Tashkent and 3 ELS regional managers. The Coordination Unit will be supported by services of a Technical Advisor (citizen of Uzbekistan) whose main functions and responsibilities will be to provide methodological and strategic consultations on the development and implementation of the project. To ensure economy of scale, optimal use of available resource and timely coordination in the three regions, the existing ELS coordinating unit composition will be maintained. Coordination from Tashkent will reinforce the management and implementation capacity established by UNDP in the 3 regions of the Fergana Valley (UNDP project offices).

UNDP will inform the EC and the Ministry of Economy, the regional Khokimiyats of the steps taken in the recruitment procedures of core project staff. UNDP will invite the EC, the Ministry of Economy and the regional Khokimiyats to attend all core staff recruitment panels. All project core staff will receive prior endorsement by the EC, the Ministry of Economy, and the regional Khokimiyats. They will be recruited in accordance with UNDP recruitment rules envisaged by National Implementation modality. Recruitment of core staff will be agreed with the project's Steering Committee.

An integrated programme implementation approach, joint administration and management will ensure that the components in the 3 region and the national component work in synergy with one another and with the ELS project in Andijan and Namangan Phase II, thus multiplying their impact on the ground, while at the same time, ensuring effective resource utilization.

The project will be run from Namangan by the team that manages a parallel ELS project (AP 2004) in Namangan and will be managed from an ELS Regional Office located in Namangan.[3] The regional manager will report to the Coordinator and will be aided in the work by the Adviser and two thematic experts based in Tashkent who will provide additional support to the project in specific areas. The regional manager will supervise two area managers in Fergana and Andijan region who will be responsible for the implementation, administrative and financial oversight of the project. They will supervise a team of specialists (task managers) responsible for technical advice and guidance. Other non-core positions may be added, in accordance to the needs of the project.

The core positions under the ELS programme are:

In Tashkent:
- One international coordinator (international core expert) posted in Tashkent. Profile: advanced university degree in International Relations, Management, Economics, Development Studies, Public or Business Administration with 10 years' professional experience and proven managerial competence in development projects
- One national adviser (national core expert) posted in Tashkent. Profile: advanced university degree in social sciences, Management, Economics, Development studies with at least 7 years of progressively responsible experience in strategic project advice, liaison with government

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[3] Namangan was chosen as the site of the regional office, because of its convenient geographical location, its proximity to Tashkent and to promote regional development, as the region has the lowest living standards in the Fergana Valley.

counterparts with experience of local development, community empowerment and income generation. Experience of working with the UN organizations or the EU
- One Admin-Finance Manager (national core expert), posted in Tashkent. Profile: Administration, Finance and Management, Public Administration and Economy, proven managerial competence in administration and finance with at least 5 years' experience

In the regions:
- One Regional Project Manager, posted in Namangan (national core expert-full time), manager of component 1 in Namangan, Fergana and Andijan; Profile: Social and Political Sciences, Development Economics, Public and Business Administration, Economics or similar with 6 + years experience in project management and administration
- Two Area Managers posted in Fergana and Andijan'; (national core expert-full time);
- Three Task Managers for Component 2 "Social Infrastructure"; posted in Namangan, Fergana and Andijan; (national core experts-full time), Profile: Development specialist with at least 5 years experience in community and rural development and extensive hands-on experience in supporting regional rural development on the ground
- Three Task Managers for Component 3 "Income Generation" and "Demonstrations of appropriate technologies"; posted in Namangan, Fergana and Andijan; (national core experts-full time), Profile: Development Economics, Finance, and Agriculture or similar with at least 5 years experience in micro-finance
- One Admin. Assistant, posted in Namangan (national core expert-full time). Profile: Administration, Finance and Management, Public Administration and Economy with at least 3 years experience; posted in Namangan
- One Finance Assistant, posted in Namangan (national core expert-full time). Profile: Administration, Finance and Management, Public Administration and Economy with at least 3 years experience
- Two Admin-Finance Assistants, posted in Andijan and Fergana (national core experts, full time). Profile: Administration and Finance and Management, Economy with at least 5 years experience

For more details on management roles, see please Terms of Reference (Annex 2) and Management Roles (Annex 3).

Short term experts:

The project will contract national and international short term (non-core) experts. The number, curricula vitae, and composition of these short term experts will be determined during the inception period.

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 (for more details please see roles and responsibilities of the Project Board's Executive).
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 joint project of UNDP and the Govrenment of Uzbekistan named 'Area Based Development programme in Kashkadraya and Karakalpakstan' 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 Steering Committee 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.

Annually:

- ➢ **Annual Review Report**. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Steering Committee 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 Steering Committee 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.
- ➢ **Quarterly narrative progress reports.** UNDP will submit these reports to the EC in accordance with the guidelines set in article 2.5 of the 2003 Finance Adminsitartive Framework Agreemnt (FAFA). All reports, prior to their finalization, will be shared with the beneficiaries, European Commission and TACIS National Coordination Unit (UzbyuroKES). All reports are subject to the final approval of the European Commission.
- ➢ **Evaluation at the end of the project (September 2010)**. This evaluation is 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

The table below is replicate for each activity result of the AWP to provide information on monitoring actions based on quality criteria. The tabel was completed during the process "Defining a Project" and 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 Fergana Valley 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 and local authorities in Fergana Valley are better capable to support local development plans.**	**Start Date:** January 2009 **End Date:** December 2010
Purpose	*What is the purpose of the activity?* **Support local development planning by making local authorities more responsive to the needs of rural population**	
Description	*Planned actions to produce the activity result.* **Capacity assessment; training; study exchanges and learning; MDG advocacy and awarness events; technical assistance to MOE and Khokimiyats in 3 regions of the Fergana Valley.**	
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 awareness plans prepared in cooperation with local authorities and representatives of communities include participatory bottom up approaches	Feedback from international and national experts	June 2009
# of govt officials and local authorities exposed to international experience of local planning & decentralised systems	Feedback from trainers , international and national experts	January 2010
% of middle level govt.officials in Khokimiyat who attend all training modules and pass the final test	Feedback from trainees, international and national experts	January 2010
% 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	January 2010
% of communities whose development plans are included in local budgets	Feedback from trainers and communities	October 2010
% of satisfied govt officials and communities (by gender)	Suverys	October 2010
Activity Result 2 (Atlas Activity ID)	*Short title to be used for Atlas Activity ID* **Local communities in Fergana Valley are better capable to take part in and contribute to their socio-economic development.**	**Start Date:** January 2010 **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 participatory 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 authoritie. Select 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?*
Transparent selection criteria in place for community projects to be supported by ABD	Selection crieria endoresed by local authorities and mahalla commitetes	June 2009
Community plans & projects implemented	Field visists & reports	Annually
# of communities whose development plans are included in local budgets	Endorsemnt of plans	January 2010 and December 2010
% of local development plans that reflect the differentiated needs of womeen and men in the communities	Field visists, reports	October 2010
% of satisfied government officials and communities (by gender)	Survey and feedback	October 2010
% of increase in access to basic services by year 3	Official data and baseine data collected by the project, poverty maps, community MDG baselines and targets.	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 Fergana Valley.**	Start Date: January 2009 End Date: December 2010
Purpose	*What is the purpose of the activity?* **To set up rural groups of producers and service providers [cooperatives], offer possibiilities for training & equip them with small technolgies. In parallel, promote packages of rural services, including 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, facilitate access to credit and/or grant funding & monitor centres' activities. Assess activity [client 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 communitiies, international and national experts	December 2009
# rural population trained in business, finacial lieracy, administration and planning and set up sustainable small business [by gender]	Survey	June 2009 June 2009
Degree of satisfaction by clients of service and products providers	Survey	December 2010
% of women clients with access to advisory and business services who are able to set up their own busiiness & make a profit	Quarterly Monitoring, feedback from client survey	Quarterly
Small technologies (biogas, drip and hydraulic irrigation) replicated and marketed.	Feedback from communities, international and national experts, profit made	June 2010 December 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 Log**

- **Annex 2. Terms of Reference**

- **Annex 3. Project Management Roles**

- **Annex 4. Lessons of experience**

RISK LOG

Atlas 00047315

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

Project Title:	Enhancement of Living Standards in Fergana Valley (AP 2006)		Award ID: 0005135				Date: January 2009	

#	Description	Date Identified	Type	Impact & Probability Enter probability on a scale from 1 (low) to 5 (high) P = 2 Enter impact on a scale from 1 (low) to 5 (high) I = 4	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 (floods/land slides) and other natural disasters	January 2009	Environmental	Project activities disrupted P= 2 I = 4	UN Contingency Plan to ensure disaster preparedness and security compliance in the field	PM	UNDP CO	January 2009	
2	Duration of the project reduced from 36 months to 24 months	January 2009	Operational	Project activities are seriously delayed and human resources are stretched P= 5 I = 5	Request extension, revise outputs in the inception report	RR/DRR	PM/Coordinator	January 2009	
3	MOE/ Implementing agency 's is unclear about some UNDP project management procedures	January 2009	Operational	Project document signature is delayed and consequently activities are further delayed P = 4 I = 4	UNDP CO senior management meets NPC to clarify	DRR	PM/Coordinator	January 2009	
4	Large project with time consuming procurement very demanding on UNDP business centre	January 2009	Organizational Financial Operational	Project activities are delayed P = 3	Procurement planning strengthened and project requisition introduced	PM	PM/Coordinator	January 2009	

#								
5	EU currency fluctuations and local price increase	January 2009	Financial	Funding may be short for procurement P = 3 I = 3	Budget revisions	PM	UNDP	January 2009
6	Office premises for coordination team uncertain	November 2008	Operational	Delay P= 3 I= 3	Identify new premises and commit resources for renovation if required	MOE/UNDP	PM	January 2009

Project Management Roles

I. Steering Committee (SC)

Overall responsibilities[1]: The SC is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Coordinator (PC), including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, SC decisions should be made in accordance to standards[2] that shall ensure best value to money, fairness, integrity transparency and effective international competition. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the PC.

Based on the approved annual work plan (AWP), the SC may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies.

Composition and organization: This group contains three roles, including:

1) **An Executive** (National Project Coordinator appointed by the Ministry of Economy): individual representing the project ownership to chair the group. The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier.

2) **Senior Supplier** (UNDP and EC): individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project. The Senior Supplier represents the interests of the parties which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier's primary function within the SC is to provide guidance regarding the technical feasibility of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required.

3) **Senior Beneficiary** (3 khokimiats and Mahallas in Ferghana Valley): individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The role represents the interests of all those who will benefit from the project, or those for whom the deliverables resulting from activities will achieve specific output targets. The Senior Beneficiary role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness the role should not be split between too many people.

Additional members (TACIS NCU) of the SC committee may be added as per mutual agreement of the abovementioned members of the SC.

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[1] Source: Guidelines on UNDP Implementation of UNDAF Annual Review Process

[2] UNDP Financial Rules and Regulations: Chapter E, Regulation 16.05: a) The administration by executing entities or, under the harmonized operational modalities, implementing partners, of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. b) Where the financial governance of an executing entity or, under the harmonized operational modalities, implementing partner, does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, that of UNDP shall apply.

II. Project Coordinator

Overall responsibilities: The PC has the authority to run the project on a day-to-day basis on behalf of the Steering Committee within the constraints laid down by the SC. The PC is responsible for day-to-day management and decision-making for the project. The PC's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

For more details please see TOR of Project Coordinator.

III. Project Assurance

Overall responsibility: Project Assurance is the responsibility of each Steering Committee member, however the role can be delegated. The Project Assurance role supports the Steering Committee by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

Project Assurance has to be independent of the PC; therefore the Steering Committee cannot delegate any of its assurance responsibilities to the PC. A UNDP Programme Officer typically holds the Project Assurance role.

The implementation of the assurance responsibilities needs to answer the question "What is to be assured?". The following list includes the key suggested aspects that need to be checked by the Project Assurance throughout the project as part of ensuring that it remains relevant, follows the approved plans and continues to meet the planned targets with quality.

- Maintenance of thorough liaison throughout the project between the members of the Steering Committee.
- Beneficiary needs and expectations are being met or managed
- Risks are being controlled
- Adherence to the Project Justification (Business Case)
- Projects fit with the overall Country Programme
- The right people are being involved
- An acceptable solution is being developed
- The project remains viable
- The scope of the project is not "creeping upwards" unnoticed
- Internal and external communications are working
- Applicable UNDP rules and regulations are being observed
- Any legislative constraints are being observed
- Adherence to RMG monitoring and reporting requirements and standards
- Quality management procedures are properly followed
- Steering Committee's decisions are followed and revisions are managed in line with the required procedures

IV. Project Support

Overall responsibilities: The Project Support role provides project administration, management and technical support to the Project Coordinator as required by the needs of the individual project or Project Coordinator. The provision of any Project Support on a formal basis is optional. It is necessary to keep Project Support and Project Assurance roles separate in order to maintain the independence of Project Assurance.

Lessons of experience

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

- Local development 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. Working with Mahallas (local communities) in local development is important to promote citizens' participation in planning and decision-making processes. The lesson for donors is that Mahallas 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. 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 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 especially when training and courses in financial litercy are coupled with micro-credit provision help 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 when possible further encouraged, because they meet the needs of the poor and promote an increased access to finance (microcredits).

- Private sector development and extension. There has been almost no support to non-agricultural private sector development in Fergana Valley. The private sector has been slow to emerge in the region and, outside the service sector in the cities and larger urban centres, there appears to be little opportunity for private sector development in the form of small and medium enterprises. There are, however, opportunities in input supply and output marketing. There is 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.