

**Local Project Appraisal Committee meeting to discuss the
"Uzbekistan Aid Effectiveness" project**

Date: January 29, 2014

Venue: UNDP

Co-chairs:

1. Mr. Stefan Priesner The United Nations Resident Coordinator, UNDP Resident Representative
2. Mr. Bakhrom Ashrafkhanov Deputy Minister of Finance of the Republic of Uzbekistan

Participants:

3. Mr. Ziyod Mirakhmedov Director, Department of Ministry of Finance
Coordination and Control over the
Targeted Use of Humanitarian and
Technical Assistance
4. Mr. Aziz Ganiev Leading Economist, Department of Ministry of Finance
Coordination and Control over the
Targeted Use of Humanitarian and
Technical Assistance
5. Mr. Erkin Ziyayev Chief Specialist Ministry of Economy
6. Mr. Aziz Aliev Chief Specialist Ministry of Foreign Affairs
7. Mr. Otabek Imamov Chief Specialist Ministry of Foreign Economic
Relations, Investments and Trade
8. Mr. Kazuhiko Higuchi Country Director Asian Development Bank
9. Mr. Dominique Wauters Head of Cooperation Unit EU Delegation to Uzbekistan
10. Mr. Carl Taestensen Country Director GIZ
11. Mr. Khusan Khasanov Field Representative Islamic Development Bank
12. Mr. Shikano Masao Chief Representative JICA
13. Mr. Jiro Iida Senior Representative JICA
14. Ms. Cho Mim Gung Specialist on ODA KOICA
15. Mr. Christophe Opfermann Senior Project Officer OSCE
16. Ms. Dali-Bernasconi Ilaria Director Swiss Cooperation Office
17. Mr. Ilkhomjon Mirzakulov Country Assistant TIKA
18. Mr. Jaco Cilliers Deputy Resident Representative UNDP
19. Mr. Saidkasim Sakhopov Partnership Officer UNDP
20. Mr. Sherzod Akbarov Head of Economic Governance Unit UNDP
21. Mr. Kamolkhon Inomkhodjayev Programme Associate UNDP
22. Ms. Natalya Pyagay Head of Resource Management Unit UNDP
23. Ms. Kamila Dadabaeva Programme Assistant UNDP
24. Mr. Fayzulla Salakhutdinov Manager, Budget System Reform UNDP
Project
25. Ms. Viktoria Anoshkina Research Coordinator, Budget UNDP
System Reform project
26. Mr. Alexander Osipov Science Officer UNESCO
27. Mr. Fuad Aliev Representative a.i. UNFPA
28. Mr. Asif Majeed Operations Manager UNODC
29. Mr. Nathan Park Deputy Director USAID
30. Mr. Mark Grahuis Senior Development Specialist USAID
31. Mr. Ogtay Gozalov Representative a.i. WHO
32. Ms. Gulnara Kamilova Analyst World bank

Mr. Priesner welcomed the participants of the LPAC meeting and noted that the Ministry of Finance requested UNDP to support improving aid coordination mechanisms in the country. This has been also mentioned during the follow-up meeting with the First Deputy Prime-Minister, Minister of Finance Mr. Azimov with the focus on improving effectiveness of aid flowing to Uzbekistan.

The project was developed in a consultative way with participation of major stakeholders in the process. UNDP convened a meeting of the heads of development agencies to assess the existing coordination situation and collect initial thoughts on how to improve on this. An international consultant was invited who had a round of meetings with the government agencies and development partners to further refine the concept and propose more detailed set of results and activities. This was presented at the joint government-development partners meeting in June, 2013. Based on the feedback received the project document was developed and shared with the Ministry of Finance. The final draft had been shared well in advance and main activities and expected results would be presented at today's meeting.

He emphasized that the aid coordination was a participatory process which required constructive and open dialogue, active engagement of all stakeholders. So, the role of this project and UNDP's contribution would be to facilitate dialogue at national level to address key challenges common to all sectors and build capacities of coordination units to lead this process.

Mr. Ashrafkhanov expressed his appreciation to UNDP and all partners for continuous support and assistance provided to advance socio-economic development of the country. He noted that the cooperation extended to many areas and covered important sectors like health, education, capacity building for the government institutions and etc.

He also noted that the current cooperation built on the previous project within the framework of which dialogue platform was established, capacity building to key government units provided. The current project will focus not only on increasing flow of aid, but more on ensuring its results-orientation, better alignment with development priorities of the country.

He also noted better database populated with relevant information would help in improving information exchange, comprehensive accounting and preparation of analytical outputs. He also introduced recently appointed Head of the Department of Coordination and Control over the Targeted Use of Humanitarian and Technical Assistance of the Ministry of Finance, **Mr. Ziyod Mirakhmedov** and once again thanked UNDP for organizing project appraisal meeting with participation of wide range of partners.

Then **Mr. Inomkhodjayev** made presentation (attached) on the main activities and expected results of the project.

The meeting proceeded with the discussion:

Mr. Wauters asked if the country would be moving closer to joining the Paris Declaration and how this would shape the aid coordination system over time.

Mr. Inomkhodjayev noted that national partners also emphasized the need to have effectiveness principles and specific indicators to guide both the government and donors for improved coordination. For this project envisions work on developing aid effectiveness indicators from PDAE adapted to country context. This will help to bring national aid coordination principles to international practices thus may pave the way for their eventual acceptance by the government.

Mr. Park inquired from national partners about the current status of the aid coordination system.

Mr. Ashrafkhanov responded by noting that the Government had created a coordination mechanism, and as part of this the Ministry of Finance collects information on aid, ensures development and approval of projects. However, he acknowledged that there were gaps in coordination, especially in improving analysis and ensuring result-orientation of the assistance provided to the country.

Mr. Mirakhmedov added that the Department was keeping up to date with new projects and information flow, but improved data collection would further increase analytical capacities of aid coordination unit. Based on this stakeholders would also be better informed and could take decisions on sector focus of aid.

Ms. Dali-Bernasconi asked if new structures were envisioned and how this would change current coordination mechanism involving different ministries, agencies, etc.

Mr. Inomkhodjayev informed that the project did not envision creation of new structures but aimed at bringing together different partners. The core of the secretariat will be the aid coordination department, but this flexible arrangement will allow invitation of other ministries, donors to develop agenda of high-level meetings. He also noted that existing mechanisms would not be replaced but linked to larger dialogue platform between the government and donors.

Mr. Ashrafkhanov said that the government institutions often needed assistance, but did not know how to start the process of applying to it. The main goal in this case is to raise awareness and bring together partners.

Mr. Taestensen asked if there were standards of data collection and what data would be collected.

Mr. Inomkhodjayev informed that based on the best international practices TOR for such a standard system was available. But this will be further discussed and presented to the development partners.

Mr. Ashrafkhanov noted the objective was to make the system transparent to donors.

Mr. Cilliers asked how sector working group formulation would take place and what steps the project was planning in this.

Mr. Inomkhodjayev clarified that for sector working groups the project would not create new arrangements, but rather would facilitate dialogue in the existing sector groups, exchange of experience among different sectors and help the Aid Coordination Department to develop common principles across these sectors to keep up to date the Government on the progress in each sector. This would also allow the Department to aggregate information from different sectors to national level.

Mr. Priesner added that the project could provide support in facilitating information sharing, policy dialogue and results monitoring. The first step would be to take stock of the current mechanisms, look at some of the experiences and replicate it more systematically.

Mr. Higuchi noted that still there was a lack of clarity in seeing the bigger picture in aid coordination. He inquired if this was going to be just a tool or rather a planning, forward-looking mechanism. He also mentioned that number of donors had already their approved partnership strategies and that would require integration with new mechanisms proposed in this project.

Mr. Priesner noted that this multilateral approach would not replace or supersede bilateral relations of donors with the government. The project aims at bringing together different coordination mechanisms and formalize the process. For example, many partners are working in the water sector and there is working coordination group. Still the project could add value by connecting this group with other partners and also scale up important issues to high-level meetings.

Mr. Inomkhodjayev informed that the project would start its support by focusing on information collection. He also noted that diversity and scale of donor activities in many sectors would generate large volume of information which should be open to all stakeholders, so they would be able to analyse it and advise national partners about emerging trends and ways to better address gaps.

Mr. Grahius inquired if communication channels would also change which currently was established through the Ministry of Foreign Affairs.

Mr. Inomkhodjayev noted that the project did not aim at changing communication channels established by the government, but would propose ways to improve and streamline those to facilitate dialogue.

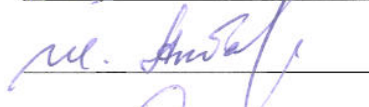
Mr. Ashrafkhanov added that the aim was to better align national needs with donor support by systemization of information and raising awareness.

At the end of the meeting participants noted that the responses provided in addition to the project document itself further clarified the project goals and plans. They once again affirmed their support to the project and efforts of the Government to improve aid effectiveness in the country.

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Mr. Stefan Priesner



Mr. Bakhrom Ashrafkhanov

