

Minutes
of the first Project Board Meeting
of joint UNPD – Ministry of Finance of the Republic of Uzbekistan Project
«Capacity Building of the National Irrigated Land Reclamation Fund»

Meeting date: 28 January 2010.

Meeting venue: Grand Mir Hotel (former Russia Hotel), 8th floor, meeting hall

Goals of the Project Board meeting:

1. To review and report on the activities performed under the Project 2009 Action Plan and to present 2010 Action Plan;
2. To present the Statute of the Project Steering Committee;
3. To discuss and approve the Statute.

List of participants:

Representatives of ministries and agencies:

1. H.H. Eshonov Chief Specialist, Information – Analytical Department for the Issues of Agriculture, Water Resources, Agricultural Produce Processing and Customers Goods under the Cabinet of Ministers of the Republic of Uzbekistan
2. E.E. Tursunov Deputy Minister, Ministry of Finance of the Republic of Uzbekistan
3. I.T. Tuichiev Head, Main Department for Financial Regulation of Agricultural Sector, Ministry of Finance of the Republic of Uzbekistan
4. R. Usmanov Leading Specialist, Department for Agriculture and Water Resources Development, Ministry of Economy of the Republic of Uzbekistan
5. D. Boynazarov Chief Specialist, Land Reclamation Department, Ministry of Agriculture and Water Resources of the Republic of Uzbekistan
6. M.H. Mamanazarov Head, Main Department for Control of Land and Water Resources, Goskomprirody (State Committee for Nature Protection)
7. Sh.M. Bobomurodov Department Head, Goskomzemkadastr (State Committee for Land and Cadastre)
8. S.V. Miagkov Deputy Director, NIGMI, Uzhydromet
9. R.V. Tariannikova Head, National Secretariat, Central Asian Countries Initiative for Land Management (CACILM) – Uzbekistan
10. T.H. Husanov Head, Department of Income Forecasting and Funding of Land Reclamation Programs, Irrigated Land Reclamation Fund Management Department
11. N.T. Rahimov Chief Specialist, Irrigated Land Reclamation Fund Management Department

UNDP

12. S. Syed Assistant to UNDP Resident Representative in Uzbekistan
13. A. Abdurahmanov Head, UNDP Environment & Energy Unit
14. M. Shaumarov Program Associate, UNDP Environment & Energy Unit
15. U. Islamov Project Manager, «Capacity Building of the National Irrigated Land Reclamation Fund»
16. A. Hujabekov Project Manager, «Support to Sustainable Development of Livestock Sector in Uzbekistan»
17. P. Umarov Project National Technical Coordinator, «Capacity Building of the National Irrigated Land Reclamation Fund»
18. N. Akhmedova Project Administrative/Finance Assistant «Capacity Building of the National Irrigated Land Reclamation Fund»

Introduction

Opening address by Mr. E. Tursunov: Short introduction and welcome address.

In his address, Mr. Tursunov highlighted that irrigated lands quality is a key requirement for social and economic well-being of the country. Therefore, Government has assigned high priority to this issue. Irrigated Land Reclamation Fund, created under special Presidential Decree, is a perfect example of this emphasis. Special Department to ensure effective management of the Fund's operations was created under the Ministry of Finance. Government assigns significant funds for land reclamation. In 2009, some UZS 144 billion budget got implemented, and 2010 budget will be equal or higher (around UZS 150 billion).

Further, Mr. Tursunov spoke about the main directions of collaborative activity under the Project's framework. The main objective of the Project is to provide support to the Fund in creating development mechanisms that would be based on analysis of global experience and the Project outputs. This is particularly relevant for provision of support in such important areas as updating legal framework for irrigated land reclamation, improving Fund's capacity in setting priorities for funding based on projects and programs meeting the requirements of international financial institutions. Achieving these objectives would facilitate, on one hand, higher efficiency and sustainability of government's funds investments into land reclamation, and on the other hand, this would open possibilities for the Fund to raise extrabudgetary funds, including international donors' and other investors' resources, for implementation of reclamation programs being developed. Other important cross-linked components of the Project activity are strengthening the existing system of land monitoring through introduction of best practices including express methods of measuring land and ground water salinity, improving capabilities of electronic cartography, wider application of remote control programs, satellite-aided monitoring and evaluating land condition. Achieving all the planned objectives would help the Fund ensure efficiency and sustainability of activities implemented within the framework of the Irrigated Land Reclamation Program.

In the end of his address, Deputy Minister expressed his hope that the Project outcomes would help reaching understanding of the modern methods of land quality improvement, providing more ample opportunities for priority setting in funding the projects while ensuring that the benefits match costs, integrating ecological and sociological evaluations into preparation and evaluation of programs and projects. The outcomes would also facilitate better understanding of land reclamation

in the context of agricultural activities in the country and improvement of the legal framework of managing the quality of irrigated lands in Uzbekistan.

Welcoming Speech of Ms. S. Syed:

Dear esteemed Board Members,

I am glad to welcome you to the first Project Board Meeting of the “Capacity Building of the National Irrigated Land Reclamation Fund” project, launched in late 2009. The overall objective of the project is to build the capacities of the Fund Management Department of the National Irrigated Land Reclamation Fund, by improving national land reclamation policy planning and financing, streamlining functional effectiveness of the Fund Management Department for more effective management of irrigated land in Uzbekistan.

From UNDP perspective, application of improved land reclamation approaches in Uzbekistan will have a significant impact on the well-being of the population in the country, especially in rural areas. We believe that the global UNDP expertise in the area of sustainable land and water management, which we can also channel through this project, is timely to address these challenges effectively. The issues of land degradation and water management are directly related to sustainable rural development policy in Uzbekistan and, thus with significant impact on livelihoods of economically vulnerable populations. Therefore, we place a special emphasis on this particular project and its success.

Given importance of this project, we would once again like to emphasize the important role of the Project Board. As a body responsible for strategic guidance of the project, it may be instrumental in ensuring project success. Through the institutions you represent, constant support and guidance is necessary, to steer the project in the right direction – which is building sufficient national capacities for land reclamation. Therefore, as today is our first meeting, we plan to formally establish the Project Board and make it operational by endorsing its Statute. Although recently launched, we will discuss the project progress in 2009 against approved plans, as well as approve project plans for 2010.

I welcome Mr. Tursunov, Deputy Minister of Finance and Mr. Yusupov from the Fund Management Department and other participants to our First Project Board meeting.

I wish all of us a productive discussion.

Thank you

U. Islamov’s presentation on:

Overview and report on the activities implemented under 2009 Action Plan and presentation of 2010 Action Plan

The Project’s main goal is to support strengthening capacity of the Fund for effective resolution of issues related to irrigated land reclamation. This includes institutional and organizational development, training the Fund personnel in the modern methods of financial management, project development and evaluation, strengthening land reclamation legal framework. The Project duration

is three years. Particular attention will be paid to IT-based management. Achieving of the following objectives is planned:

- Within the first component's framework, institutional, organizational and program evaluation will be performed to identify the base line;
- Second component is aimed at training of experts of the Fund and other relevant organizations in the modern methods of project proposal development and evaluation;
- Third component is designated to support improvement of the legal and regulative framework of the Fund and of land reclamation in general. Government support will play a decisive role in the success of this component;
- Within the framework of fourth component, pilot demonstration sites will be created in two regions of Uzbekistan. In these sites, best practices in land and water resource management, interlinked with the existing irrigated land quality monitoring system, will be demonstrated.

Activities under Component 1, related to performance of evaluations, will be implemented in the first quarter of the current year. Remaining part of the component will be implemented during the current year, with major activities to be fully completed in 2011.

Project Steering Committee was established to facilitate Project coordination and management, constituted of representatives of the Ministries and Departments involved. Steering Committee is chaired by the Deputy Minister of Finance. Support provided by the Steering Committee and the National Coordinator would facilitate achieving the Project goals and objectives. Support of UNDP and other stakeholders will also be required for successful Project implementation.

Discussion: Meeting Agenda included discussion of the Project and taking decisions (questions, comments, recommendations)

№	Questions/Recommendations	Answers
1.	<p>S.V. Myagkov, Deputy Director, NIGMI, Uzhydromet</p> <p>1. I would recommend including Irrigation and Drainage Commission into the Project's activities. I believe it would be useful for the Project.</p> <p>2. Item 2 in Component 4 stipulating creation of a pilot site without demonstration of improved data collection and processing technology was not clear. Why create a pilot site then?</p>	<p>U. Islamov, Project Manager</p> <p>1. Thank you for the proposal. It will be considered.</p> <p>2. The idea is to demonstrate two approaches. In the first pilot site will be demonstrated modern technologies for land monitoring that are used in the world. At the same time, in second pilot site, options to improve existing monitoring system without expenses for extra equipment, only through building experts' capacity, will be studied. Any new technology is acquired for a cost. That's why we want to compare and demonstrate how much we can improve monitoring with full use of the existing potential. Based on the outcomes, experience extending mechanism will be developed.</p>
2.	<p>R.V. Taryannikova Head, CACILM National Secretariat</p> <p>Then, maybe, we should formulate this is "demonstration site</p>	<p>U. Islamov, Project Manager</p> <p>Agreed. We have to review how the item's wording.</p>

	creation without capital investments”?	
3.	<p>T.H. Husanov Head, Department of Income Forecasting and Funding of Land Reclamation Programs, Irrigated Land Reclamation Fund Management Department</p> <p>Proposal on item 1.1.4, capacity building plan should be made more concrete.</p> <p>Work load of experts in the departments grows. We can see uneven distribution of work load between the departments. This leads to deterioration of quality of work.</p> <p>The subcontractor is a reclamation expedition. They are given a volume of work worth up to UZS 60 billion, and there is a problem of whether they are able to implement this budget. We have to see if structure of the existing Oblast Hydrogeological-Ameliorative Expeditions (OHAE) is adequate to reach these objectives and prepare a proposal to improve it...It is necessary to include issues of improving the structure of the Fund itself, etc.</p>	<p>U. Islamov, Project Manager</p> <p>Thank you, this is a good comment – we will describe this item with more details.</p>
4.	<p>H.H. Eshonov Chief Specialist, Information – Analytical Department for the Issues of Agriculture, Water Resources, Agricultural Produce Processing and Customers Goods under the Cabinet of Ministers of the Republic of Uzbekistan</p> <p>During preparation of the Project, the Fund and Ulugbek Islamov, with UNDP support, took a significant effort. Presently, activity of the Department is supported with legal framework. On 25 December 2009, the law “On water and water usage” was updated with supplements and amendments reflecting the modern requirements. We also have the Land Code, which can serve as legal framework for irrigated land reclamation. In 2007, a Decree to organize activity of the Fund and a Resolution on activity of the Department were issued. Cabinet of Ministers adopted the Program for Ameliorative Improvement of Lands. Yet, at the same time, there are areas, which require improvement:</p> <p>First, Project priority setting is a weak point. Activity areas are defined and activities up to 2012 are listed, but at the local level situation is changing, lowering some of the projects’ priority – attention should be paid to defining re-evaluation criteria;</p> <p>Second issue is related to project solutions in complicated hydrogeological–reclamation conditions – there are sites where main collectors are affected by sloughing and erosion (Tashkent oblast, Fergana valley, etc.).</p> <p>Third, Resolution # 320 dd. 21.07.2003 and Provisions of the Main Department of the Ministry of Agriculture and Water Resources stipulate that OHAEs are to evaluate reclamation activities, but unfortunately, this work is not being performed</p>	<p>U. Islamov, Project Manager</p> <p>The schedule specifies major activity areas. Consultations based on the outcomes of evaluation will be held with the Ministry of Agriculture and Water Resources, Cabinet of Ministers and other stakeholders, developing specific activity types in detail.</p>

	<p>properly. There are project requiring individual approach and scientific support, such as collectors in sandy areas (Khorezm) being affected by intensive silt-filling. Conditions like this require scientific input in addition to Project solutions. For that, technical and scientific capacity improvement is needed, and the Project should address this during 2010-2011. Summarizing the above: 1. Priority setting; 2. Improvement of methods of safe operation of collector – drainage system – experience is important;</p> <p>Regarding the Project’s Action Plan, its areas should be clarified and made more specific. Transparency should be ensured and terms should be set. Other sections should also be reviewed and made more concrete. We request that detailed information is provided to the Steering Committee for review, amendment and approval.</p>	
5.	<p>A. Abdurahmanov, Head, UNDP Environment & Energy Unit</p> <p>We would like to thank all for comments and suggestions. As per UNDP procedures, project is also developing a detailed action plan. The Project is ready to provide this information for your kind perusal.</p>	<p>H.H. Eshonov Report may be accepted as a basis, together with comments and suggestions.</p>
	<p>Discussion of the Project Steering Committee Provisions</p>	
6.	<p>A. Abdurahmanov, Head, UNDP Environment & Energy Unit</p> <p>The floor is given to U. Islamov, Project Manager</p>	
7.	<p>U. Islamov, Project Manager</p> <p>In October, draft Provisions was sent to the Ministries and Departments for review and comments. So far, only MAWR provided their comments. Following comments and suggestions were provided:</p> <ol style="list-style-type: none"> 1. Paragraph 2 of Section I «Status and goals» is a duplicate of Paragraph 14 of Section II, «Composition»; 2. Representative of Goskomprirody (State Committee for Nature Protection) shall be included into the Steering Committee; 3. In Section III «Main functions of the Steering Committee»: <ul style="list-style-type: none"> - In Paragraph 3, words «provision of appropriate guidance and support...» shall be changed to «coordination and support...» and further; - Paragraphs 4,7,8, 9, 10, 11 and 12 shall be deleted since these functions belong to the competence of the National Implementing Agency; 4. In Paragraph 4, Section IV «Organizational activity of the Project Steering Committee» words «by the Project National 	<p>A. Abdurahmanov, Unless there are any comments on these suggestions, we will leave it to the Project’s decision.</p>

	<p>Coordinator» shall be changed to «by the Steering Committee Chairperson » and further;</p> <p>In my opinion, there is no duplication mentioned in the first comment. Therefore, with your approval, I would like to leave these paragraphs unchanged.</p> <p>As for the second suggestion, we agreed and included Goskomprirody representative into the Steering Committee. Please comment on the other suggestions.</p>	
8.	<p>S.V. Myagkov Uzhydromet Question: In their letter, MAWR proposed Mr. Shavkat Primov for membership in the SC...</p>	<p>U. Islamov Yes, Mr. Primov joined the Project. N. Allaberganov was assigned to his former position.</p>
9.	<p>H.H. Eshonov, Cabinet of Ministers The first part refers to approval of the Ministry for Foreign Economic Relations, Investments and Trade. Text in the first page reads that Provisions are approved by the Ministry of Finance and agreed with UNPD. Here, we shall either add MFERIT into the text or, if that is not needed, exclude reference to them from approvals section.</p>	<p>U. Islamov Here, I would like to request my colleagues for advice. Is it necessary to mention MFERIT in such documents?</p>
10.	<p>A. Abdurahmanov, Head, UNDP Environment & Energy Unit This issue shall be clarified. Projects report to MFERIT, probably, that is why they should be mentioned. This shall be elaborated, clarified and included into the text.</p>	
11.	<p>E.E. Tursunov Deputy Minister of Finance of the Republic of Uzbekistan</p> <p>Provisions should be shown to Mr. Mirbabaev (Department for Investments Accounting under Ministry of Finance)</p> <p>Provisions stipulate that PSC Chairman is the Deputy Minister of Finance, who is supervising operation of the Fund Management Department. The Fund is supervised directly by the Minister, thus, correction is required. Possible wording is “supervising agriculture-related issues”.</p>	<p>H.H. Eshonov, Cabinet of Ministers</p> <p>Leave it as “Deputy Minister” only, without details.</p>
12.	<p>U. Islamov, Project Manager Should we include Cabinet of Ministers? Let us discuss.</p>	<p>H.H. Eshonov, Cabinet of Ministers We can include Uzgiprovodhoz (State Research and Design Institute for Water Resources) and SANIIRI. They have the required experts. Instead of the Senate, we can include Committee for Agriculture of the Legislative House of Oliy Majlis. It has new composition now.</p>
13.	<p>A. Abdurahmanov, Head, UNDP Environment & Energy Unit Let us now proceed to the next Agenda item – discussion of the SC Resolution. Please show draft Resolution on display.</p>	
14.	<p>T.H. Husanov Head, Department of Income Forecasting and Funding of</p>	<p>H.H. Eshonov, Cabinet of Ministers</p>

	<p>Land Reclamation Programs, Irrigated Land Reclamation Fund Management Department</p> <p>Regarding Item 3 of draft resolution. Development of land reclamation legislative framework is performed by SANIIRI. Would this not be duplication of work by the Project?</p>	<p>There is no duplication. SANIIRI is dealing with development of technical issues rather than improvement of legislative acts, which we expect from the Project. Moreover, it is very important to review, within this effort, the issue of creation of water protection zones along the collectors to ensure their sustained operation.</p>
15.	<p>H.H. Eshonov, Cabinet of Ministers We can accept this as basis, together with amendments.</p>	
16.	<p>A. Abdurahmanov, Head, UNDP Environment & Energy Unit Resolution: Finalize the materials and submit them for review within 10 days.</p>	
17.	<p>E.E. Tursunov Deputy Minister of Finance of the Republic of Uzbekistan Closing remarks: The meeting was useful for all the participants. Within 10 days, documents should be finalized and in the course of a more in-depth review, new amendments may arise. I think that future discussions will be equally fruitful and useful. I would like to thank UNDP for their support on behalf of the Ministry of Finance. I believe that, together, we will achieve positive results.</p>	
18.	<p>S. Syed Assistant to the UNDP Resident Representative in Uzbekistan It was useful to hear the participants' opinions. Comments to clarify capacity building issues, etc. Among the other, we will consider comments on priority setting. As I understood, comments were relating to detailed description and formulation. I believe it will not be difficult to complete this task. As it was mentioned in the Resolution, the next meeting is scheduled in later part of this year, which means that SC members will not meet very frequently during the year. Thus, we will proceed in our work by email or have individual meetings. Regarding legal support, Project staff should have a meeting with SANIIRI to discuss and coordinate work with them. SC must participate actively in the Project operation – not just 2 times a year, but more frequently. We hope that SC's commitment will remain until the end of the Project. I would like to use this opportunity to express gratitude to the Ministry of Finance for their support in establishing the Project office, etc. Finally, I would like to note that Project's role is to act as the Steering Committee Secretariat, i.e. the Project complies with and reports to the Steering Committee.</p>	

19.	E.E. Tursunov Deputy Minister of Finance of the Republic of Uzbekistan We are ready to provide full support because we are committed to successful operation of the Fund. We are grateful to UNDP for the support being provided.	
20.	H.H. Eshonov, Cabinet of Ministers Cabinet of Ministers is also ready to provide support.	

Outcomes of the Steering Committee Meeting:

1. Approve 2009 Report;
2. Accept as basis and approve 2010 Plan, provided that SC members will be provided with a more detailed annual plan;
3. Finalize the Statute of the Steering Committee incorporating the amendments and comments made and submit for approval to the Steering Committee members.

 Ulugbek Islamov
 Project Manager
 Capacity Building of the National Irrigated
 Land Reclamation Fund Project

17. 0 2. 2010

 Abduvakkos Abdurahmanov
 Head of Environment & Energy Unit
 UNDP in Uzbekistan

17. 0 2. 2010

