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ANNEX II

to the Commission Implementing Decision on the financing of the annual action plan in favour of
Uzbekistan for 2022

Action Document for European Union assistance to Uzbekistan in green transition and growth

ANNUAL PROGRAMME

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	European Union Assistance to Uzbekistan in Green Transition and Growth OPSYS: ACT-61275 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)/ Overseas Association Decision/European Instrument for International Nuclear Safety Cooperation Regulation
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in the Republic of Uzbekistan
4. Programming document	Multi-annual indicative program 2021-2027 for Uzbekistan
5. Link with relevant MIP(s) objectives / expected results	<p>Priority area 2: Inclusive, digital and green growth</p> <p>Specific objective: Uzbekistan's policy, implementation and management capacities are well advanced in order to be able to deliver on the Paris climate commitments, implement national policy priorities and, with a focus on resource efficiency, support sustainable socio-economic development through coordinated and coherent action.</p> <p>Expected results:</p> <ul style="list-style-type: none"> • Green transition is fostered by improved national capacity and tools for sustainable and integrated resource management • Climate adaptation and mitigation measures are integrated into national policies, strategies and planning for implementation of 2030 and Paris Climate Change Agreement • Economic transformation that creates decent jobs, promote resource-efficiency and low-carbon initiatives and thereby increases productive capacity and green jobs • Improved national capacity to strengthen the investment climate and promote a green private sector, especially for micro, small and medium-sized enterprises (MSMEs), through robust economic governance • Increased EU policy implementation to promote investment, employment and trade

	Priority area 1: Effective governance and digital transformation (Secondary) Expected results: <ul style="list-style-type: none"> Effective, accountable and transparent institutions at all levels with increased Government capacity to deliver public services 			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	410 – Environment; 150 - Government & Civil Society; 43040 – Rural Development			
7. Sustainable Development Goals (SDGs)	Main SDG to which the Action contributes: SDG 12 - Responsible Consumption and Production. Other SDGs to which the Action contributes: SDG 2 - Zero Hunger SDG 3 - Good Health and Well Being SDG 5 - Gender Quality SDG 7 - Ensure access to affordable & sustainable energy SDG 9 - Industry, innovation and infrastructure SDG 13 - Climate action SDG 15 - Life on land SDG 16 - Peace, justice and strong institutions SDG 17 - Partnerships for the goals			
8 a) DAC code(s)	15110 – Public sector policy and administrative management (41%) 41010 – Environmental policy and administrative management (26%) 23182 – Energy research (5%) 15142 – Macroeconomic policy (5%) 15117 – Budget planning (5%) 15155 – Tax policy and administration support (5%) 15111 – Public finance management (5%) 15125 – Public procurement (5%)			
8 b) Main Delivery Channel	10000 - 13000 (Third country government – Delegated cooperation with the French Development Agency AFD) 41301 – FAO			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

11. Internal markers and Tags:	empowerment			
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
	Connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
	Migration (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. concerned	Amounts	Budget line(s) (article, item): BGUE-B2022-14.020130-C1-INTPA Total estimated cost: EUR 10 200 000.00 Total amount of EU budget contribution EUR 10 200 000.00		

MANAGEMENT AND IMPLEMENTATION	
13. Type of financing¹	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1 and 4.3.2

1.2 Summary of the Action

The Action will consist of two areas of interventions and will aim to a single objective – the post-COVID economic recovery and the transition to a sustainable, socially just, resilient and climate neutral economy in Uzbekistan. Hence, it will support the country to decouple economic growth from environmental and climate degradation. To that end, the Action will finance the capacities, tools and coordination mechanisms necessary to lay the groundwork for a green growth strategy centred on the mutual reinforcing aspects of economic and environmental policy as well as addressing some of the key elements towards improved chemical wastes management in Uzbekistan.

The first area of intervention, the Green Economy Technical Assistance Program (GETAP), will support the formulation and implementation of Uzbekistan's green economy strategy. Backed by a budget support loan committed by AFD, the GETAP will specifically assist the government of Uzbekistan in (i) enhancing coherence between economic policies and environmental objectives within the inclusive green economy framework and (ii) reallocate consumption and investment of government and firms towards green goods and projects through fiscal policies and public financial management reforms.

The second area of intervention, Sound Management of Hazardous Chemicals Technical Assistance Programme, will help to understand the size of the problem in terms of both legacy wastes (volumes of obsolete pesticides and other materials like contaminated soils) and annual arising to be managed in Uzbekistan. Particularly, focus will be given on enhancing effectiveness of mechanisms and tools for the management of hazardous chemicals, wastes and reduction of use of dangerous pesticides in agriculture, including agriculture practises and awareness for reducing the use of pesticides. Results of activities in different levels should lead to Uzbekistan becoming a State Party to all four waste conventions (Basel, Rotterdam, Stockholm, Minamata), an improved institutional capacity for sound chemicals management, better data on hazardous wastes allowing development of a national waste management strategy and permitted hazardous waste treatment facilities. The Action will also aim to scale up sustainable practices in the agricultural sector leading to reduced risks to farmers and consumers from the use of pesticides and to food production relying on less toxic pesticides, and increased institutional and public awareness of the risks from the uninformed use of hazardous chemicals.

Joint efforts of these areas of interventions will strengthen Uzbekistan's policy, implementation and management capacities to deliver on the Paris climate commitments, implement national policy priorities and, with a focus on resource efficiency, support sustainable socio-economic development through coordinated and coherent action.

2 RATIONALE

2.1 Context

Uzbekistan is a lower-middle income economy and the most populous country in Central Asia. In 2017, the Government of Uzbekistan (GoU) embarked on a wave of reforms to enact a transition from a closed, state-directed economy to an open, market-based economy. Key reforms have notably included (i) the liberalisation of prices, trade tariffs and the exchange rate, (ii) the opening of the economy to private initiative and privatisation of state-owned enterprises, (iii) the extension of social safety nets to cushion vulnerable households against short-term impacts of reforms and (iv) the overhaul of public financial management (PFM) – notably the reduction of off-budget expenditure and adoption of a PFM reform strategy. The GoU has also undertaken efforts to address sectoral challenges and bottlenecks, taken steps to eliminate negative impact to environment, improved basic health services for the population and removed onerous regulations that previously sustained State Owned Enterprises (SOEs) at the cost of private sector growth.

At the same time, Uzbekistan is facing significant environmental challenges and is one of the most vulnerable countries to climate change in the world. With 80% of its territory occupied by grasslands and

¹ Art. 27 NDICI

deserted areas, Uzbekistan's economy is particularly exposed to climate change. Current projections estimate that – barring resolute mitigation measures – average temperature in the country will increase by 1.8 to 3.3 C° by 2050. Without additional adaptation measures, climate change and overexploitation of natural resources will decrease Uzbekistan's economic potential in the years to come. The agri-food sector, which accounts for 32% of GDP and 90% of water use, will also be negatively impacted as soil salinisation rise and yields drop. Increased emissions of particle matters in the air will lead to more respiratory diseases and lower labour productivity. All of these effects are already apparent in the Aral Sea ecological disaster. To ensure that growth, job creation and human development remain sustainable, Uzbekistan will need to address the dual challenge of climate change and environmental protection by greening its economy.

Uzbekistan's green policy framework has historically been aimed at preventing direct environmental damage rather than mainstreaming sustainability into the economy. Uzbekistan inherited from the previous central-and-command regime a fairly well-functioning set of institutions which assess the environmental impact of investment projects and regulate air pollution, wastewater discharge and waste generation. Policies supporting the green economy and green and circular transition are managed by a plurality of ministries and agencies, notably the Ministry of Economy, Ministry of Finance (MoF), the State Committee on Ecology and Environmental Protection, Uzhydromet and dedicated line ministries (in particular energy and agriculture). However, the acceptance of Uzbekistan into the GSP+ scheme in 2021 and the adoption of the Green Economy Strategic Framework (GESF) require a shift in mentality and practices of the administration.

The Ministry of Economic Development and Poverty Reduction (MoEDPR) was tasked with revamping the GESF. The MoEDPR created a dedicated department for the green economy which has now been working with donors for over a year. At the suggestion of its development partners, the GoU not only committed to revise the framework but also to design a concrete action plan with result indicators and clear lines of accountability to track progress. The outline of the new framework has been presented to development partners in early 2022 and working groups are currently working on a first draft for each of its building blocks. This process resulted in preparation of the first draft which was approved by relevant governmental bodies. It is currently at the level of Presidential Administration and expected to be adopted by the Presidential resolution in the first half of October 2022.

Since early 2021, AFD has engaged the GoU on how to mainstream the fight against climate change and environmental protection into economic policies. At the request of the GoU, AFD has designed and committed a budget support programme to support the GESF. The programme consists of an in-depth **policy dialogue** on the formulation, implementation and evaluation of the Strategy; a series of **three concessional budget loans** disbursed against progress in policy implementation (indicative total amount: EUR 375 million) and **capacity-building programme** funded by a dedicated grant (EUR 1.5 million).

Uzbekistan was granted a GSP+ status in April 2021 and it has ratified all 27 relevant conventions. During several stakeholder meetings and discussions, governmental parties responsible for implementing conventions related to the environment and to governance principles reiterated the lack of capacity and expertise in the field of hazardous wastes, chemicals and persistent organic pollutants.

Uzbekistan's chemical industry is one of the country's key economic sectors, being a major supplier of raw materials and chemical products to almost all the economy. Thus, it has a significant impact on the scale, direction and efficiency of the development of other sectors, including agriculture.

Uzbekistan is a party to the **Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal**. Uzbekistan also ratified the **Stockholm Convention on Persistent Organic Pollutants (POP)** in 2019. Concrete practical steps on implementation of obligations of the Republic on the Stockholm Convention on Persistent Organic Pollutants are reflected in the related National Implementation Plan for 2022-2024. **Uzbekistan is currently considering acceding to two other international conventions: The Rotterdam Convention** on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (1998) and the **Minamata Convention on Mercury** aimed at protecting human health and the environment from anthropogenic emissions and releases of mercury and its compounds.

Uzbekistan has today legal and regulatory frameworks for chemicals management as well as corresponding institutions in place. But with the further development of agriculture, industry, logistics and entrepreneurship, **there is an urgent need for improving chemicals management.**

During the Soviet period, pesticide application was mandatory on most crops, without needs assessment or practical management of pesticides to ensure absence of pesticide residues on the final food crop, and pesticides

were provided through centralised purchasing programmes, leading to **oversupply and accumulation of unused stocks year on year**. Problems due to the **overuse of chemical pesticides** became already visible in Soviet times. Uzbekistan has developed the most progressive programme on bio-pesticides in the Central Asia region. Nevertheless, many elements of pesticide life-cycle management in Uzbekistan still need to be further strengthened to reach the standards as promoted by the FAO and WHO International Code of Conduct on Pesticide Management. Waste management was very basic in the former Soviet Union, with wastes generally being discarded in landfills or being long-term stored at production sites. Due to views prevalent at that time in the scientific and engineering community, incineration and high-temperature incineration was not supported. As a result, **all Central Asian countries today lack strategies and basic infrastructure to treat hazardous wastes according to international standards**. FAO is currently undertaking under a Global Environment Facility (GEF)-funded POPs project enabling activities on POPs disposal in line with the Basel Convention Technical Guidelines in other Central Asian countries.

2.2 Problem Analysis

In recent year Uzbekistan made significant steps towards environmental protection and greening its economy. Nevertheless, a transition towards a sustainable, socially just, resilient and climate neutral economy require addressed deep-seated, structural constraints. Such processes tend to have, broadly, two negative effects: they lower the economic returns of green investments and prevent economic actors from capturing the full value of these investments.

Interagency coordination is generally weak in Uzbekistan. When the GoU launched its administrative reform in 2018, it disbanded close to a hundred interagency committees and commissions. New institutions were created to replace them – such as the Coordination Council on SDGs presided by the Prime Minister – but many are not operational. Strategic objectives tend to be broadly coherent but resource allocation and economic policies are not necessarily aligned to further their implementation. In the context of the GESF, this issue is compounded by specific factors including (i) low levels of knowledge on the interactions between the economy and the environment, (ii) unfamiliarity with international cooperation framework around these issues (e.g. the UNFCCC and COP), (iii) unfamiliarity with policy instruments available to accelerate and monitor the transition to a green economy, (iv) a lack of reliable data on which to ground the decision and (v) a lack of tools to assess economic and environmental impacts. The GoU has done little so far to address this awareness gap and engage with civil society and the private sector around green and sustainable growth.

Public expenditure and tax are fundamental drivers of the transition to a green and circular economy. Tax and subsidies can provide long-term incentives to households and firms to shift their consumption and investments to greener and more circular activities. Public investment can create the backbone around which new mode of sustainable production can be built – including the infrastructure needed to switch to renewable energy, electric cars or water-efficient agriculture. So far, Uzbekistan has not made good use of fiscal policies to speed up the transition. On the expenditure side, the disjointed nature of green policies and absence of environmental assessment during budget preparation makes it difficult to estimate the amount spent on green goals. Taxation is not yet used to encourage consumers to shift to greener products or incentivise adoption of resource-efficient production or energy-efficient techniques in construction. No policy scheme to put a price on carbon is under consideration – though the GoU wishes to explore the idea as part of its long-term strategy on Greenhouse Gas (GHG) emission.

Institutional coordination and sound fiscal policies are not enough to implement ambitious green programmes. Tax and spending decisions need to be supported by adequate systems and capacities to be implemented. On the whole, Uzbekistan enjoys a relatively solid PFM system. The results of the latest Public Expenditure and Financial Accountability (PEFA) assessment (2018) have highlighted a high level of fiscal discipline – mostly supported by a very centralised approach to PFM. The drawback of this system is that capacities at the line ministry level are weak. This prevents the structuring of a meaningful MoF/sector dialogue and the alignment of the budget with public policies. Progress made towards programme budgeting and SDG budget-tagging address these shortcoming to a certain extent but are at their very beginning. Risk management in expenditure controls and procurement tends to be very formal and does not take into account the level of risk or the question of performance. The lack of trained administrators and agents prevents the state from streamlining key green objectives into its SOE portfolio – even in sectors where the alignment is obvious (energy, transport, water).

Key stakeholders: MoEDPR, Ministries of Finance, Energy, Water and Agriculture, SOEs, State Committee for Environment and Nature Protection, UzHydromet, Civil Society Organisations (CSOs)

When it comes to the existing mechanism to ensure safe handling of chemicals, Uzbekistan has both “soft” and “hard” shortcomings:

- Absence of a single coordinating inter-agency body responsible for the sound management of chemicals, a lack of information exchange between agencies, and a lack of up-to-date information on highly hazardous chemicals, including POPs;
- Hazardous waste management and disposal infrastructure is widely lacking as well as experienced staff able to treat waste according to best international practices and analytical chemical labs for characterising wastes;
- Lack of a national waste management strategy needed for developing long-term, sustainable waste management;
- Insufficient management and monitoring of obsolete or banned pesticides and pesticide containers.
- High soil contamination at former agricultural airfields and other sites. Sites, where levels of soil contamination with organochlorine pesticides exceeded permissible levels by a hundred times or more were found in almost all oblasts;
- Industrial facilities using chlorine (paper production, technical rubber, soda, etc.), but also sub-standard incineration processes may be sources of unintentional dioxin emissions. There is no laboratory for dioxins and furans determination in the country. Also, Uzbekistan has no industrial facilities for the environmentally sound disposal of wastes and stocks containing chemicals listed in Annexes A and B of the Stockholm Convention;
- Absence of treatment technologies for management of hazardous wastes;
- Uncontrolled and overuse of pesticides. This creates risks not only for human health, but also for the environment and biodiversity. Uzbekistan has not established a clear system of control over the use of plant protection products by farmers and the public on the basis of established norms. In addition, neither registrants of pesticides nor their producers have an influence on their storage and use by consumers, and they are not responsible either for the consequences of improper storage and use or sufficiently informed about potential risks of Highly Hazardous Pesticides. As a result, they mainly import "available" pesticides from the international market;
- Lack of improved agricultural practices for promoting a better management of pesticides and the reduced use of toxic pesticides (e.g. Integrated Pest Management (IPM) strengthening and promoting bio pesticides);
- Lack of human and technical capacity building across sectors. This jeopardises the implementation of activities of the National Action Plan to meet the requirements of the Stockholm Convention on Persistent Organic Pollutants but also to manage (hazardous) chemicals safely.

Key stakeholders: State Committee for Environment and Nature Protection, the Ministry of Health, the Ministry of Agriculture (MoA), the Ministry of Innovative Development and the Plant Protection Agency and others. Other stakeholders include agricultural extension services, farmers associations, crop protection industry and CSOs.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is **to decouple economic growth from environmental and climate degradation** in Uzbekistan.

The Specific Objective (Outcomes) under this action are stated below.

For the first intervention:

1. Enhanced coherence between economic policies and environmental objectives within the inclusive green economy (IGE) framework;
2. Reallocate the consumption and investment of government and firms towards green goods and projects through fiscal policies and public financial management reforms.

For the second intervention:

3. Enhanced effectiveness of mechanisms and tools for the management of hazardous chemicals, wastes and reduction of use of dangerous pesticides in agriculture, including agriculture practices and awareness for reducing the use of pesticides.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- 1.1. The awareness and capacities of policymakers and stakeholders on inclusive green economy issues are improved
- 1.2. Green tax framework formulated to increase in levies on economic activities harmful to the environment and climate developed/revised and better implemented;
- 2.1 A green budgeting framework is implemented to assess the alignment of tax and spending decisions with climate and environmental objectives;
- 3.1 Improved institutional and infrastructure capacities for sound hazardous chemicals management;
- 3.2 Enhanced national capacity for analysis, planning and implementation in the field of hazardous waste management;
- 3.3 Enhanced capacity of farmers for reduction of Highly Hazardous Pesticides usage.

3.2 Indicative Activities

Activities relating to Output 1.1:

Iterative technical assistance missions, policy advice and trainings to (i) support the improvement of the monitoring, reporting and verification system as per the standards of the Paris Agreement and UNFCCC, (ii) delivery of macroeconomic forecasts to assess the impact of the low-carbon transition on growth, jobs, fiscal revenues and the balance-of-payment and (iii) support the mainstreaming of Strategic Environmental Assessments (SEAs) to mainstream green objectives into policy planning and investment programs.

Long-term technical assistance, trainings, coordination and policy dialogue missions to support (i) the GESF Technical Secretariat housed within the MoEDPR, (ii) the working groups established under the GESF Interagency Council, (iii) the Coordination Task Force coordinating donor support to the GESF, (iv) the monitoring and evaluation of the GESF - including publication of the annual implementation and subsequent dissemination to all stakeholders and (v) the articulation of the GESF with activities funded by development partners

Activities relating to Output 1.2:

Iterative technical assistance missions, workshops, trainings and policy dialogue to support (i) the costing of investments needed to meet green economy goals, (ii) the formulation of rationale for government intervention and (iii) support to the design and governance of the contemplated Green Fund to be established under the MoEDPR, (iv) capacity-building and agenda setting with the MoF, (v) the review of the current tax framework against green economy objectives, and (vi) the review of the pollution charge system.

Activities relating to Output 2.1:

Study tours, iterative technical assistance, trainings, workshops and short-term expertise to support (i) the refinement and extension of the SDG-tagging system on which green budgeting will be based – including SDG5 (Gender equality), (ii) training for key government officials on the Uzbek green budgeting methodology, (iii) ad-hoc support on the piloting of the methodology in high-priority green economy sectors, (iv) external review and quality control of the results and (v) dissemination of the deliverables and outreach with key stakeholders.

Activities relating to Output 3.1:

Creation of an inter-ministerial coordination mechanism to establish and ensure effective and coordinated inter-agency work at the national level on the sound management of hazardous chemicals.

Review and update of the relevant national legislative frameworks.

Capacity building of relevant institutional staff and other target beneficiaries, based on FAO's set of guidelines for implementing the pesticide life-cycle management (that are based on the FAO and WHO Code of Conduct on Pesticide Management).

Upgrade of laboratory equipment and capacities. The Project will carry out an assessment of the status and needs of laboratories, both in terms of laboratory staff and equipment, which is needed to analyse chemical waste, but also for pesticide registration and food safety control.

Development and implementation of a public electronic cadastre for hazardous wastes.

Development of an electronic registry for tracking hazardous chemicals throughout their life cycle.

Creation of an e-registry system for pesticides and fertilisers.

Activities relating to Output 3.2:

Development of a national inventory of obsolete pesticides and related materials as well as of landfills and contaminated sites including agricultural airfields.

Development of a national management plan for the inventoried obsolete pesticides stocks and related materials based on the national hazardous waste management strategy.

Development of a national hazardous waste management Strategy.

Activities relating to Output 3.3:

Implementation of pilots/comparison trials allowing reduction of Highly Hazardous Pesticides use. Capacity building among farmers and other target actors.

3.3 Mainstreaming

SDGs

This project will support the GoU in pursuing achievement of the 2030 Agenda for Sustainable Development. Specifically, it will contribute to the achievement of the relevant national targets of the SDGs.

Environmental Protection & Climate Change

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project).

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The actions can be classified as Category C (no need for further assessment).

Outcomes of the SEA screening

The 1st intervention aims to support the design and implementation of the green economy strategy. This strategy aims to reduce the environmental and climate pressure generated by Uzbekistan's economic activities. The strategy does not rely directly on the use of scarce natural resources or the emission of environmentally damaging substance (insecticides, pesticides) but rather seeks to reduce their overconsumption and usage respectively. Its

implementation will not result in large-scale land-use but instead support Uzbekistan's target of bringing the share of protected areas to 15% of its territory. Nevertheless, the strategy does not set a detailed framework with pre-identified investment projects or impacted sites – which makes it a poor candidate for an SEA. The granular listing of infrastructure projects is to be found at the level of sector plans and the State Investment Programme, which GETAP will gradually bring in line with the green economy framework. To do so, GETAP will finance and pilot an SEA in a sector critical to the green economy (e.g. energy, agriculture, water management) or a region and build-upon this experience to mainstream the practice– linking it to the systematic review of planning documents conducted by the MoEDPR.

On the 2nd intervention of the Action, the implementing entity will keep environmental sustainability and climate change issues at the core of the action implemented by the project to ensure that any possible risks are properly taken into account. Furthermore, the implementing entity will provide guidance on ecological approaches and nature-based solutions as embodied in IPM, which is able to reduce reliance on chemical pesticides, and on migratory pest control, which has been a major cause of obsolete pesticide stockpiles.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that project implementers ensure that no harm is caused to women and to disadvantaged groups and takes every opportunity and action to contribute to closing the gender gap. Gender analysis of the sector will also be envisaged. For instance, for intervention 2, to ensure gender is adequately mainstreamed across the project activities and there is sustainability of the project's results related to gender, a national gender expert will be engaged right from the start of the project.

Human Rights

The right of access to information on the risks of using particularly hazardous chemicals and on areas contaminated with hazardous chemicals in the country will be ensured. The Project will build on human rights-based approach and 'Leaving no one behind' principles.

Disability

Under the OECD DAC Disability codes in Section 1.1, this action is marked as D0. This means that the project activities do not address issues related to disability.

Democracy

The Action will take into account democratic, participatory decision-making, involving all those who have a direct stake in pesticides management as it is of critical importance for their effective, sustainable management.

Conflict sensitivity, peace and resilience

Although societal and security-related risks that may be directly attributed to the implementation of this project can be considered low, social and security-related risks will be considered in the formulation of this project, and these aspects will be taken fully into consideration throughout the project implementation.

Disaster Risk Reduction (DRR)

The 1st intervention contributes indirectly to DRR. The Action supports the institutional coordination and monitoring of the green economy strategy. The strategy includes a dedicated pillar to DRR. Though most of GETAP activities are aimed at cross-cutting issues (effective institutions, green finance) and other thematic pillars (low-carbon development, land and water use), the support it will provide to the technical secretariat of the strategy will indirectly benefit the DRR pillar.

Under the Project, the selected entity will aim at aligning the project activities with national DRR plans and national climate action plans (Nationally Determined Contributions and National Adaptation Plans).

3.4 Risks and Lessons Learnt

Risk Matrix

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Institutional	Lack of absorption capacity at the level of the Government in order to develop and implement new policies.	Low	Medium	The implementation of the project will be closely monitored and adjustments will be done.
Institutional	Difficulties in inter-ministerial coordination.	Low	Medium	Fostering coordination and developing effective working contacts and methodologies with the relevant ministries.
Institutional	Lack of commitment from the Government to approve and develop some of the policy recommendations developed with the project team.	Low	Medium	Fostering effective working dynamics and engagement with the relevant ministries.
Political	Political support erodes when faced with the cost of implementing structural measures affecting vested interests (e.g. phasing-out fossil fuel subsidies, switching from gas to renewables etc.).	Medium	High	Proven track-record of the current administration to address complex, delicate issues head-on (e.g. electricity tariff reform, privatising SOEs). Continuous dialogue of the development partners (IMF, WB, UNDP, EU, EBRD, AFD) on the importance of the transition at all levels of government.
Political	Due to change of Government priorities for internal or external reasons (e.g. Russian invasion of Ukraine), the support to pesticides management and associated strategies and policy frameworks may not be further developed by the Government.	Medium	Medium	Implementing partners will take into consideration their long experience, practices and policies, to ensure efficient and relevant support provided to the target beneficiaries.
Political	Lack of coordination among agencies and development partners creates duplication and incoherent policies.	Low	Medium	Joint GoU-development partners planning on the basis of the GESF action plan. Joint convening power of the MoeDPR and MoF across institutional lines.

				The Action will support to the GESF technical secretariat, including through an embedded long-term expert.
Economic	Fiscal constraints in the wake of COVID-19 and Russia's military aggression against Ukraine hamper the scale-up of green expenditures.	Medium	Medium	<p>Low risk of over-indebtedness of Uzbekistan (cf. IMF DSA, 2021).</p> <p>High-level of support of development partners to scale up concessional financing to assets in support of the green transition.</p> <p>Green budgeting will provide the EU and the implemented entity data to engage the GoU on its level of green expenditure.</p>
Technical	High-turnover within the administration, weak middle-management and lack of prior knowledge of the green agenda lead to an implementation backlog and delays.	High	High	The Action will invest in capacity-building at the middle management and technical level – combining it with long-term technical assistants and national experts to create the conditions necessary for sustainable skill transfer. Additionally, in-house expertise will be mobilised all along the project, both in coordinating the Action and in providing guidance to the stakeholders.
Technical	Limited interest from beneficiaries to be involved in the project or limited and uncoordinated outreach and limited understanding of the project objectives by the target stakeholders or project partners.	Low	Medium	Actions will be revised, along with the methodology, participation criteria and support conditions.

Lessons learnt

Sustaining policy dialogue at multiple levels is instrumental in understanding the GoU priorities and constraints so as to be able to propose relevant and viable solutions. In the case of the current Action, regular policy dialogue mission will be organised to discuss the output and outcomes, progress in achieving the associated policy actions.

Combining long-term and iterative technical assistance. High turnover within the administration makes it necessary to set up reliable teams of technical experts – either in the form of long-term experts embedded into GoU agency or stable teams effecting missions on a repeated basis. These experts help both in building institutional memory and establishing a lasting rapport with the beneficiaries.

Mixing international and national expertise. The Uzbek public administration has to bear a very heavy reform agenda while often lacking implementation capacities. This often limits the absorption capacity of technical assistance. Past experiences have shown that mobilising teams combining international experts – conducting frequent missions, bringing perspective and know-how – with national experts – working locally and alongside the administration, yields more sustainable results.

Taking a proactive stance for institutional coordination. As highlighted above, Uzbekistan is characterised by a heavy reform agenda, strained capacities, multiple development interventions and a

fast-changing institutional landscape (with new agencies, laws and strategies being frequently adopted). This frequently creates coordination challenges with the usual symptoms of redundant donor projects, incoherent strategies or simply critical policy gaps left unaddressed for lack of a bird's eye view. This also includes the **need to foster a culture of low- and medium-level collaboration among government entities** that are jointly responsible for thematic activities. This pertains to support for the generation and dissemination of agricultural and rural statistics, which required effective collaboration among Ministries and Statistical Agencies that could not always be maintained at the necessary level. Partial remedies to this problem would be the strengthening of institutional platforms in each of these entities, the development of specific tools for information gathering and analysis at Ministries level, and the introduction and institutionalisation of new products at the Statistics Services of Uzbekistan.

3.5 The Intervention Logic

The Action will support the GoU to decouple economic growth from environmental and climate degradation. (Impact)

To that end, the Action will finance the capacities, tools and coordination mechanisms necessary to lay the groundwork for a green growth strategy centred on the mutual reinforcing aspects of economic and environmental policy as well as addressing some of the key elements towards improved chemical waste management in Uzbekistan.

Particular emphasis will be put towards designing tools to test or assess policy options (e.g. macroeconomic model, strategic environmental evaluations), consolidating data to monitor results and providing capacity building to create a common language across institutions in charge of implementation. Assuming that human resources trained throughout the programme suffer no significant attrition and that the stakeholders' convening power induce agencies to cooperate, these outputs will foster **an enabling framework for an IGE ensuring coherence between economic and environmental policies (Outcome 1)**.

In parallel, the Action will help to understand the size of the problem in terms of both legacy waste (volumes of obsolete (POPs) pesticides and other materials like contaminated soils) and annual arising to be managed. Based on these data, a national strategy to manage these hazardous wastes can be developed (output 3) defining how the wastes should be treated, what regulations need to be completed, technical infrastructure to be put in place, and how the costs of the system are covered. All these elements together contribute to a long-term strategy on how to establish a hazardous waste management system and some initial technical capacity for it (Outcome 3).

A green budgeting framework will be designed, piloted and scaled-up to assess the degree of alignment of public tax and expenditures with the GESF. Last, public entities holding states assets (mostly MoF, State Assets Management Agency (SAMA) and UzAssets) will be trained and tooled to align the corporate objectives and systems of the enterprises they supervise with the GESF targets. If all the beneficiaries of these activities (i.e. budget officers, contracting entities, SOE boards and managers) buy-into the new systems – and if the data produced through those system really affect the decision making of policy-maker – these outputs will create **public financial management systems supporting the delivery of public services and investments aligned with green goals (Outcome 2)**.

On the basis of these green PFM systems, the Action will work with GoU policymakers to align sector expenditure and investment plans with GESF targets. At the same time, a series of green tax policy proposal will be formulated to either increase the cost of activities harmful to the environment and increase the comparative return of green investments. Assuming no external shock crowds out green expenditures and that the GoU demonstrates sustained political will to upset the current political economy by phasing out existing support measures and creating new taxes, these outputs will lead to **new fiscal policies inducing the government, firms and consumers to reallocate consumption, capital and technologies towards greener activities (Outcome 2)**.

For Intervention 2, inventories will allow to understand the size of the problem in terms of both legacy wastes (volumes of obsolete (POPs) pesticides and other materials like contaminated soils) and annual arisings to be managed. Based on these data, a national strategy to manage these hazardous wastes can be developed defining how the wastes should be treated, what regulations need to be completed, and how the costs of the system are covered. All these elements together contribute to a long-term strategy on how to establish a hazardous waste management system and some initial technical capacity to do so (SO 3.1 and 3.2).

To prevent future accumulation of new volumes of waste to be treated and recycled, **improved agricultural practices** relying on the use of less toxic pesticides are to be promoted (output 6). Agricultural practices will be more resource-efficient in general, applying precision-farming, reducing water losses and recovering nutrients. Awareness raising contributes to the better understanding and behavioural changes needed so that people put themselves less at risk of chemicals. Gender considerations are important as male and female farmers are often involved in different types of agricultural activities and have unequal access to trainings and protection materials. All these elements together to contribute to a better protection of health and the environment (outcome 3).

Finally, the Government regulating role and capacity must be strengthened. Accessing and participating in the four global waste conventions provides the political and institutional framework for reducing risks from international chemical trade (output 3.1). For the government to be able to fulfil its regulatory and monitoring function, institutional, but also technical capacity has to be strengthened (output 3.2). This all contributes to better life-cycle management of hazardous chemicals (Outcome 3).

3.6 Logical Framework Matrix

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain: Main expected results	Indicators (at least one indicator per expected result)	Baselines (year)	Targets (year)	Sources of data (1 per indicator)	Assumptions
Impact	To decouple economic growth from environmental and climate degradation in Uzbekistan	1. Specific greenhouse gas emissions per unit of GDP (Kiloton of CO ₂ per million \$ produced) 2. Signature, ratification, and entry into force of international waste conventions 3. GERF 2.1 Number of smallholders reached with EU supported interventions aimed to increase their sustainable production and/or security of land	1. 2,55 in 2017 2. 2022 – 2 3. 2022 – 0	1. 2,74 in 2027 2. 2027 – 4 3. 2027 – 400 farmers	1. Uzbekistan national communication to the UNFCCC 2. Basel Rotterdam Stockholm website 3. Annual and final reports, evaluation reports, ROM reviews.	<i>Not applicable</i>
Outcome 1	1. Enhance coherence between economic policies and environmental objectives within the IGE framework	1.1 Number of IGE policy instruments implemented, disaggregated by category of documents	1.1 : 0 in 2022	1.1 : 10 in 2026	1.1 MoEDPR annual green economy report	Increased capacities and data on green issues lead GoU policymakers to adjust patterns of growth to avoid crossing critical national, regional and global environmental thresholds.
Outcome 2	2. Increase allocation of consumption, capital and technologies towards greener activities and investments in circular business models by Government, firms and consumers	2.1 Share of public expenditures with a favourable impact on the environment 2.2 Share of tax revenues with environmental relevance 3.3. Number of GETAP-supported SOEs reporting the adoption of sustainable consumption and production practices and standard certifications (disaggregated by type)	2.1. TBD in 2022 2.2. 5,03% or 7400 UZS billions in 2021 3.3. 0 in 2022	2.1: TBD 2.2 : TBD 3.3. 3 in 2026	2.1. MoF Green budget statement 2.2. MoF Green budget statement 3.3 : MoEDPR green economy report	The GoU displays consistency in implementing the GESF to create credible signals around which

						actors can anchor their expectations
Outcome 3	3. Enhance effectiveness of mechanisms and tools for the management of hazardous chemicals, wastes and reduction of use of dangerous pesticides in agriculture, including agriculture practises and awareness for reducing the use of pesticides.	<p>3.1. Status of establishment of National Focal Point for the Stockholm Convention</p> <p>3.2. Status of establishment of National Focal Point for the Basel Convention</p> <p>3.3. Status of submission of Request to accede to Rotterdam and Minamata conventions</p> <p>3.4. Status of registration of volumes of obsolete pesticides and related materials in waste cadastre</p> <p>3.5 Number of farmers that reduced use of dangerous pesticides</p> <p>3.6. Status of adoption of Waste management strategy (or Level of implementation of Waste management strategy)</p>	<p>3.1. 2022 – 0</p> <p>3.2. 2022 – 0</p> <p>3.3. 2022 – 0</p> <p>3.4. 2022 – 0</p> <p>3.5. 2022 – 0</p> <p>3.6. 2022 – 0</p>	<p>3.1. 2023 – 1</p> <p>3.2. 2023 – 1</p> <p>3.3. 2025 – 1</p> <p>3.4. 2025 – 1</p> <p>3.5. 2026 – 200</p> <p>3.6. 2027 – 1</p>	<p>Regulations for the National Centres and the Working Group, meeting minutes</p> <p>Accession requests</p> <p>3.4. Publicly accessible information in waste cadastre</p> <p>3.5. Confirmation by extension services</p> <p>3.6. Governmental decision, annual reports</p>	<p>Government provides policies and funding for implementing the waste conventions</p> <p>3.4 Government provides access to sites</p> <p>3.5 Farmers are interested to uptake new practices</p> <p>3.5 Support by MoA</p>

Output 1	<p>1.1. The awareness and capacities of policymakers and stakeholders on inclusive green economy issues are improved</p> <p>1.2. Green tax policies for increase in levies on economic activities harmful to the environment and climate developed/revised and better implemented</p>	<p>1.1.1. Number of policymakers and other stakeholders trained by the EU-funded intervention with increased knowledge and/or skills on IGE issues, disaggregated by sex</p> <p>1.2.1. Number of green tax policy proposals developed with support of the EU-funded intervention</p>	<p>1.1.1. 2022 – 0</p> <p>1.2.1. 2022 – 0</p>	<p>1.1.1. 2022 – 400</p> <p>1.2.1. 2026 – 3</p>	<p>1.1.1. Pre- and post-training test reports</p> <p>1.2.1. GETAP report</p>	<p>1.1. HR turnover at the technical level is kept to a minimum and allow investments in capacity-building to pay off</p> <p>1.1. Priorities set out in the GESF and covered in capacity-building do not change.</p> <p>1.2. There is no crowding out of green expenditures due to external shocks or unforeseen crises</p>
Output 2	<p>2.1. A green budgeting framework is implemented to assess the alignment of tax and spend decisions with climate and environmental objectives</p>	<p>2.2.1. Number of government staff trained by the EU-funded intervention with increased knowledge and/or skills on green budgeting, disaggregated by sex</p>	<p>2.2.1. 2022 – 50</p>	<p>2.2.1. 2026 – 300</p>	<p>2.2.1. GETAP report</p>	<p>2.1. Information produced through green budgeting serve to inform decision making on fiscal policy</p>
Output 3	<p>3.1. Improved institutional and infrastructure capacities for sound hazardous chemicals management</p> <p>3.2 Enhanced national capacity for analysis, planning and implementation in the field of hazardous waste management</p> <p>3.3 Enhanced capacity of farmers for reduction of Highly Hazardous Pesticides usage</p>	<p>3.1.1. Number of Analytical labs equipped with support of the EU-funded intervention</p> <p>3.1.2. Extent to which EU-funded intervention contributed to the operationalisation of public waste cadastre</p> <p>3.2.1. Extent to which EU-funded intervention contributed to the operationalisation of the e-registration system for pesticides</p> <p>3.2.2. Extent to which EU-funded intervention contributed to hazardous waste</p>	<p>3.1.1. 2022 – 0</p> <p>3.1.2. 2022 – 0</p> <p>3.2.3. 2022 – 0</p> <p>3.2.2. 2022 – 0</p> <p>3.3.1. 2022 – 0</p>	<p>3.1.1.. 2024 – 3</p> <p>3.1.2. 2025 – 1</p> <p>3.2.3. 2025 – 1</p> <p>3.2.2. 2024 – 1</p> <p>3.3.1. 2025 – 1</p>	<p>3.1.1. Lab accreditations</p> <p>3.1.2. Cadastre website</p> <p>3.2.3. Registration website</p> <p>3.2.2. Assessment report</p> <p>3.3.1. Consolidated evaluation report</p>	<p>3.1. Support by government and parliament</p> <p>3.1. Technical staff capacity present</p> <p>3.2. Support by the government and waste treatment facilities</p> <p>3.3. Uptake by farmers</p>

		streams characterisation (types, volumes, legacy or annual arising)				
		3.3.1.Status of availability of Results of x years of consecutive field trials conducted by EU-funded intervention				

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Uzbekistan

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission services using the following criteria:

- Proven track record on supporting partner countries in formulating and implementing ambitious policies to deliver on the dual goals of shared prosperity and environmental conservation. Its research and operations teams have designed a series of tools and approaches specifically dedicated to that goal;
- Dedicated expertise in analysing public policies and development operations in all fields related to the green economy (energy, water management, urban development, agriculture, transport...);
- A specific conceptual framework and technical assistance offer to align fiscal policies and public financial management with environmental goals – building upon the European experience (e.g. EU green budgeting reference framework, green taxonomy).

The implementation by this entity entails supporting the formulation and implementation of Uzbekistan's green economy strategy. This entity will focus on following specific objectives: 1. Enhance the coherence between economic policies and environmental objectives within the IGE framework and 2. Reallocate the consumption and investment of government and firms towards green goods and projects through fiscal policies and public financial management reforms.

In case the envisaged entity would need to be replaced, the Commission services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.3.2 Indirect Management with a pillar assessed entity

Another part of this action may be implemented in indirect management with an entity, which will be selected by the Commission services using the following criteria:

- Entity should have a mandate which includes prevention and management of agricultural pests; the safe distribution and use of pesticides including their disposal as governed by the International Code of Conduct on Pesticide Management (2012); and, the control of international trade in particularly hazardous pesticide formulations as governed by the Rotterdam Convention;
- Extensive experience in the field of prevention and elimination of obsolete pesticides. This experience

should have allowed entity to develop a comprehensive series of technical guidelines, training modules, toolkits and awareness materials which are used by a number of other Intergovernmental Agencies;

- Extensive experience in working with partner country's government, supporting its reform agenda;
- Possessing the authority and status as a global intergovernmental organisation to provide the framework for the Rotterdam Convention, playing a key role in the delivery of technical assistance under the Rotterdam Convention.

The implementation by this entity entails supporting the formulation and implementation of Uzbekistan's green economy strategy. This entity will focus on intervention aimed at the specific objective 3 which is to enhance effectiveness of mechanisms and tools for the management of hazardous chemicals, wastes and reduction of use of dangerous pesticides in agriculture, including agriculture practises and awareness for reducing the use of pesticides

In case the envisaged entity would need to be replaced, the Commission services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.3.3 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

Due to exceptional circumstances, the indirect management mode in the section 4.3.1 and/or 4.3.2, could be implemented in direct management (procurement) for either or both of the action components

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Specific objectives 1 and 2 - Indirect management with a pillar assessed entity - cf. section 4.3.1	6 100 000
Specific objective 3 - Indirect management with a pillar assessed entity - cf. section 4.3.2	3 900 000
Evaluation and Audit – cf. sections 5.2 and 5.3	200 000
Totals	10 200 000

4.6 Organisational Set-up and Responsibilities

Intervention 1

The implementation arrangement of the Action will be aligned with the institutional structure put in place to design and implement the GESF. The implementing entity will coordinate the overall Action in close relation with its Uzbek partners. It will provide strategic guidance and serve as decision-making authority for the advancement of Green Growth in Uzbekistan. Subject to confirmation during the feasibility study, the Action will finance a project coordination unit (PCU) within the Secretariat. This unit will be in charge of (i) supporting the work of the Secretariat, (ii) articulating the different activities financed by the Action to the GESF, (iii) monitor technical and financial progress of the Action and (iv) discharge any associated contracting and administrative duties. This PCU will both bolster the human resources available to the Secretariat and ensure full appropriation of the Output of the Action by the GoU. Last, a coordination task force made up of the World Bank, the UNDP and the implementing entity will be set up among donors. The task force will facilitate dialogue with the GoU, the coordination of external interventions and pool available knowledge products.

Policy dialogue and articulation with AFD's green economy policy loan programme will take place through regular missions. The EU Delegation and the implementing entity will organise regularly (indicative 2-4 times a year) policy dialogue missions. These missions will take place both at managerial (department chief) and political (deputy minister level) levels. They will endeavour to (i) review the progress made by the GoU in implementing the GESF, (ii) follow up on the recommendations and proposals formulated through GETAP, (iii) identify emerging issues or roadblocks, (iv) monitor progress made towards the implementation of the policy loan disbursement-linked indicator and (v) discuss the formulation of new policy actions in upcoming sub-programmes. The implementing entity will closely consult the Commission on these last two items to ensure close articulation between the Action and its policy loan programme.

Intervention 2

The 2nd Intervention will count on the technical support of a multidisciplinary team of technical officers of the implementing entity's regional and headquarter offices. The Project would be technically overseen, guided and supported by the implementing entity's Lead Technical Officer (LTO) and a Project Task Force (PTF). The PTF will consist of the implemented entity's staff possessing the appropriate skill mix to ensure effective technical, operational and administrative project management throughout the Project's implementation.

A team of national and international experts will work under the overall supervision and operational support of the implementing entity's possible representation in Uzbekistan, with the technical guidance of LTO, the PTF and a **Project Technical Advisor** on the ground. Long and short-term experts will be mobilised from the network of the implementing entity's experts in the region, and from the selected Reference laboratories to address specific tasks. Gender expertise will be engaged throughout the whole project. In addition, a Funding Liaison Officer in Donor Relations and Resource Mobilisation Team will ensure compliance with the EU Rules and Regulations and maintaining corporate relations with the resource partner throughout the Project's implementation.

The Project will be coordinated by a **Project Steering Committee (PSC)** composed of representatives from the Government, the EU Delegation to Uzbekistan and the implementing entity. This Steering Committee will approve work plans and reports and will meet regularly, e.g. every six months. The implementing entity will maintain a close and timely communication and information sharing with all partners and stakeholders.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of

implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The project has **preliminary defined a set of milestones and results-oriented objectively verifiable indicators** that will be reviewed in the Project inception phase. Attention will be paid to the simplicity, measurability, adequacy, relevance and timeliness of the objectively verifiable indicators included in the logical framework matrix. Where possible, the project will collect primary information to set up a baseline that will identify targets for specific indicators. This will be finalised during the inception phase or during the first months of the project, since some of these primary data will need to be drawn from specific assessments or studies. The specific assessments or studies will be carried out under the implementing entity's facility project that will contribute to the implementation of this action. While those assessments will be covered with the entity's budget, the rest of monitoring and reporting activities are expected to be funded under this action.

The indicators are gender-sensitive as much as possible, and efforts will be made to get sex-disaggregated data from the various users or beneficiaries from this project. Gender expertise will be involved in the establishment of indicators, data collection and monitoring and evaluation.

The **work plan** will be another important document for the purposes of monitoring and of assessing performance from the point of view of project management. The work plan will be prepared during the project formulation and finalised in detail during the inception phase. It will also be adjusted and updated as needed during the project implementation, in close consultation with the EU Delegation. Because of its importance in the process of shaping the work plan and the logical framework, the inception report will be a key milestone of the first part of the project and will serve to fine-tune some of the activities and expected results.

Monitoring

Regular monitoring of the progress of implementation of project activities will be ensured by all of the project staff in their specific roles. A proposed **monitoring and evaluation framework** will be prepared during the project inception phase of the project implementation. Continuous monitoring will generate quantitative feedback on the implementation, preventing deviations from operational objectives, ensuring accountability for spending and enabling the evaluation of the process.

Reporting

The project reports will provide a clear picture of the status of the project at the various stages of implementation, ensuring the appropriate tracking of progress in terms of outputs and results, as set forward in the logical framework, through indicators, baselines and targets. The ultimate reporting responsibility will lie with the implementing entity's office in Uzbekistan, with close support from its Regional Offices in Europe and Central Asia. Direct responsibility for preparing all reports will lie with the project coordinator and advisor, with support provided by the Regional Office for Europe and Central Asia (if any). All reports will be written in English. If necessary, working documents and reports should be translated into Russian.

5.2 Evaluation

Having regard to the nature of the action, a final evaluation may be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this type of specific programme is rather new to the partner country and lessons from the evaluation may support future programmes using the same approach.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the

project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

APPENDIX 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Option 1: Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Option 2: Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action> <Other action>
Option 3: Contract level		
<input type="checkbox"/>	Single Contract 1	<foreseen individual legal commitment (or contract)>
<input type="checkbox"/>	Single Contract 2	<foreseen individual legal commitment (or contract)>
<input type="checkbox"/>	Single Contract 3	<foreseen individual legal commitment (or contract)>
	(...)	
<input type="checkbox"/>	Group of contracts 1	<foreseen individual legal commitment (or contract) 1> <foreseen individual legal commitment (or contract) 2> <foreseen individual legal commitment (or contract) #>